THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 30, 1943 | 10c a Copy; $5.00 a Year | No. 5

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The Nation's Business

How Can Ottawa Now Hold Wage Ceilings?

The government's second wage offer respecting steel workers was a much more flagrant puncturing of the wage and price ceiling than the first, and the result may be the irrevocable smashing down of our wage and price control structure.

In its first offer some attempt was made to pay lip service to the wage-price ceiling policy. The proposal did, at least, insist that the effective overall basic rate include a cost-of-living bonus, thus the relief offered to low-paid workers would be given in such a way as to conform as closely as possible to the earlier principle.

The first proposal was:

For Algoma: Raising base rate from 45.5 cents an hour to 50 cents and continuing, in addition, the cost-of-living bonus of 5 cents an hour.

For Dosco: Raising base rate from 43.5 cents to 46 cents and continuing, in addition, the cost-of-living bonus of 9 cents an hour.

In the second and accepted offer the proposal was:

Establishment of a guaranteed 55 cents total wage (or including cost-of-living bonus) at Dosco and Algoma, retroactive to Nov. 1. It opens the way for the unions to apply to the National War Labor Board for cost-of-living bonus in addition to the new minimum. Furthermore, yet to be determined as this is written, is whether the new base rate is to apply to all workers, including the highest paid in the plants, or only to those employees who were formerly getting less than the new basic minimum.

In the first proposal, the base rate was edged up a few cents and the cost-of-living bonus was retained. In the second proposal, the base rate was virtually thrown out the window and the new base at 9½ cents higher for Algoma, 11½ cents higher for Dosco is adopted.

Up to now the administration has used great ingenuity in avoiding puncturing ceilings through the use of subsidies and restraints of many kinds.

Now by its own deliberate act the government has gone against all previous policies and decisions of its own control agencies.

Ottawa reports Mr. King's personal conviction that he believes he has reconciled his own principles and problems with the price ceiling policy. But there are also reports of vigorous and resolute disagreements within the cabinet.

Speaking in Vancouver, Donald Gordon, chairman of the WPTB, had pungent words relevant to this issue. He said:

"In ordinary times every interest, every group or class in the community is free to organize in order to press its claim for recognition. But the plain fact is that in times of war such pressures endanger the safety of the Nation.

"No concession wrung by one class from another under pressure of vital wartime necessity is going to be of any use if the Japs or the Huns are going to be the ones who decide which had the better of the argument. No person has the right to use the war for his greater personal gain.

"If wage increases are secured at the expense of the anti-inflationary policy, I say earnestly that the wage-earner will be obtaining a very fleeting advantage. . . . To wreck that policy, or to make its administration impossible, is an act of self-destruction. . . . There can be no compromise with inflation. The very groups who may appear to be obtaining an immediate advantage will be the ones which will suffer most when chickens come home to roost."

Canadians may well wonder what the new policy on wage ceilings is going to be. How can officials now hold down prices in other industries? Will it be able to do anything but accede to demands for more wage increases? Isn't the administration giving other war workers a blanket incitement to strike?

* * *

ST. LAURENT TALKS AGAINST COMPLACENCY

There is far too much complacency in Canada about the war. The steel strike wouldn't have happened if Canadians generally really understood the gravity of the situation; how desperate and bloody the task still to do will be. War plants would be producing faster and more efficiently. Rationing and other war regulations would get readier and stricter compliance.

A much needed reminder that the war has yet to be won and could still easily be lost was given by Minister of Justice St. Laurent speaking to the 99th annual meeting of the Toronto Board of Trade.

The submarine menace is still growing, Mr. Laurent said, pointing out the supreme importance to Britain, the United Nations' cause, and to the lives of Canadian troops in the United Kingdom that this one battle—the battle of the Atlantic—we must not lose.

Canada hasn't had enough of these challenging, arresting statements from our leaders; not enough about the seriousness of the situation to every individual Canadian. Mr. St. Laurent did a job that much needed doing and he did it admirably.

Some months ago both in Parliament and in the hustings Mr. St. Laurent made some very isolationist statements. We hope this Toronto address means that he will now do his utmost to have our government achieve that all-out war effort which he declares is so urgently needed.

* * *

COLDWELL SAYS TOO MUCH AND TOO LITTLE

Mr. Coldwell said both too much and too little in his radio address last week. In picturing the Utopia which, he says, would come after the war under C.C.F. management, he promised and said too much to be wise. Of how we are to solve the problems that might let us move forward and realize step by step some portions of that dream, he said far too little.

"Never again," said Mr. Coldwell, "must we allow the pretense of poverty or lack of money to stand in the way of social reconstruction." That's a good windy vote-catching sentence that makes no sense. The C.C.F. leader made no attempt to explain just what we are to use in place of money, except a vague reference later on to "socialization of the banking and financial system."

Said Mr. Coldwell: "When peace comes there must be no return to the old way of doing business with its unplanned, unregulated competition or, what is just as bad, its crushing and inhuman monopoly power."

Here, warming up to his subject, Mr. Coldwell went into more detail. Instead of private enterprise or "inhuman monopoly" he offers complete and absolute government control over business.

He cites our present war production as an example of what such control could accomplish. This is nothing but misleading.

Where would our industrial war effort have got if it hadn't been for the generations of private enterprisers which built our factories, assembled machinery, above all learned production management themselves and gave hundreds of thousands of Canadian workers skills?

The truth, of course, is that on the best informed estimate available, well over 90% of the capital in Canada's entire industrial plant is provided by private enterprise despite the big capital advances to war plants.

Mr. Coldwell underestimates the aspirations of the Canadian people. Every holder of a Victory Loan, every holder of a life insurance policy, every homeowner, every man with a job, has a stake in the Canadian way of life and participates in its hopes and in its advantages. Canadians are fighting Hitler & Co. to maintain that way of life; to avoid the slavery of being told by a government official when to do this and not to do that; to avoid entrusting their own future and the future of their children to the decisions of a government board. Yet Mr. Coldwell continues to preach totalitarian methods of government for Canada.

No Ration Plan Seen In Clothing

Supplies to Trade Regulated, But Restrictions Unlikely for Consumer Purchases

By JOHN E. LANGDON

MONTREAL.—While Ottawa officials are silent, there is considerable speculation about whether clothing will be rationed.

Rationing there may be, but the general public might not even hear about it, for a form of trade rationing, either on a voluntary or government-ordered basis, is much more of a possibility than consumer rationing.

An indication of how little the man on the street would feel such a move is the fact that there has been a good deal of this form of rationing within the last few months.

Producers, on government regulations, have for some time been refusing to take on new accounts and have been limiting their old converter customers to supplies equivalent to their 1941 orders.

On a basis such as this a reasonably equitable distribution of the available goods can be managed without the confusion and expense that arise when government regulations to consumers and coupon books are brought into the picture.

The clothing situation is tight in so far as it applies to the civilian population. The trade has for some time now shown concern over the supply position on woollens and worsteds.

This branch of the industry is estimated to have at least 80% of its capacity directed into war work, with the result that there has been a falling off in civilian production.

There have been imports of wool goods from the British Isles, but

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Cut Announced In Auto Rates

Both Tariff and Non-tariff Firms Announce Cuts Effective Jan. 1

The second cut in automobile insurance premium rates has just been announced by insurance company members of the Canadian Underwriters Association and the Independent Automobile Insurance Conference. The reductions which are all from the basic rate are retroactive to Jan. 1 on private passenger cars in different gasoline rationing categories as follows:

AA Public liability and property damage 35%; collision, 20%.

A Public liability and property damage 25%, collision, 10%.

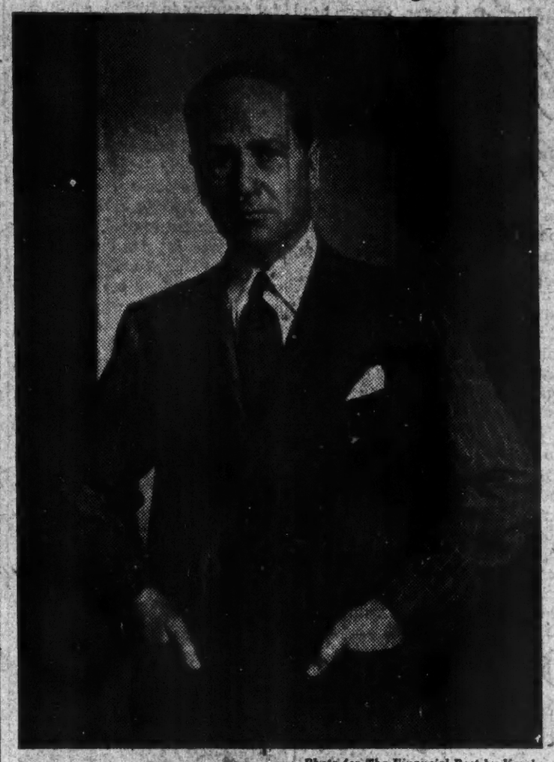
B Public liability and property damage 20%.

Bx Public liability and property damage 10%.

Private passenger cars operated under the Wartime Industrial Transit plan, public liability and property damage 10%.

The basic rate was that prevailing before the first cut was effected last April which ranged roughly between 10% and 20%, according to mileage, purposes for which the car was used, etc. The new reduction is based on gasoline rationing solely.

Next Step — Cost-cutting



—Photo for The Financial Post by Karsh.

Ralph Pickard Bell, dynamic Nova Scotian who is director-general of aircraft production, is busy these days cutting costs and placing the wartime aircraft industry on a sound basis. Born at Halifax in 1886, he graduated from Mount Allison University at Sackville, N.B., and was not long in becoming a leading Maritime businessman. He is a director of the shipping firm of Pickford & Black and is a noted yachtsman.

Historic African Talks To Influence Production

Strategy Set by Churchill and Roosevelt Will Bear on Output of Canadian Plants — May Mean More Escort Ships

By ROBERT T. ELSON

WASHINGTON. — The decisions taken at the momentous conferences in French North Africa between President Roosevelt and Prime Minister Winston Churchill indirectly may have an important bearing on the course of Canadian production in 1943—and the early quarters of '44.

Keen observers in this capital believe that, first, these conferences determined the course of the United Nations' next offensive—a decision that can only be revealed when the new battlefronts are opened. Second, they feel that both Churchill and Roosevelt are now in agreement that every step possible must be taken without delay to strengthen the allied supply lines overseas.

These can only be strengthened if the German submarines are driven from the sea lanes. And the answer to the German U-boat in the words of Admiral Sir Percy Noble, the chief of the British admiralty delegation in Washington is "escort vessels, more escort vessels, and still more escort vessels." For Canada this probably means still more shipyards will be asked to turn out corvettes and frigates to protect the ship lanes to Europe and later to the Far East—but particularly to Europe.

It is significant that while the two big chiefs were meeting in Morocco the combined production and resources board should have convened in a special session here in Washington last Saturday morning. Hon. C. D. Howe, head of Munitions & Supply, flew down from Ottawa.

No formal announcement is given out after these meetings, but the combined production board is the instrument by which decisions of the combined chiefs of staff are translated to the production lines, and escort vessels are believed to have received special consideration.

Here in Washington the escort vessel programme has run "head on" into the octane gasoline and synthetic rubber programmes, both of which have important claims for high priorities.

War production board Donald Nelson admitted before a Senate committee that he was in disagreement with rubber director William Jeffers over the number of synthetic rubber plants that can be built. The latter, a strong personality and a fighter, has been waging a vigorous fight for his own programme. He thinks it can be carried out in full along with the other programmes.

President Roosevelt on his return is expected to resolve this conflict, if the decision has not already been wired ahead.

Ottawa Sees Draft Plan Slowed Up

In October and November Call-ups Army Got Only 24% of Men Needed

By STAFF WRITER

OTTAWA.—Spurred by the approach of Parliament and the need for opening a long-festering sore, the government has now released the detailed story of call-up operations in Canada under N.R.M.A. since Oct. 1940.

Only in the last six or eight months have the records been adequate, apparently, for a realistic picture of the number of delinquents and persons unaccounted for in the cumbersome and ill-equipped draft machinery which operated in Canada for more than two years. From May to Dec. 1942, the record shows a "basket" item of 201,000 persons who either went "active," were granted statutory exemption, or who are otherwise delinquent or not accountable on the official draft machinery records.

Of this 201,000, it is reported that 95,000 are known to have gone "active." About 8,000 were students or were granted a statutory exemption because of religious or "conscientious reasons." This left in that period over 98,000 persons who are listed as the "number pending, delinquent or otherwise accounted for."

Ignoring the 30-day training operation which was only a temporary programme and was replaced in March, 1940, by the calling of men for home defense service in the active army, the record shows that in 21 months, the army requisitioned 150,390 men and obtained at training centres about 108,000 or 72% of the requirement.

In the last six military call-up periods, when the manpower "crisis" came to a head and the draft machinery bogged down, the army requisitioned 94,000 men but obtained only 52,428, or 56% of the requirement.

Bogged Down

Just how the call-up machinery "bogged down" is revealed by figures showing the dwindling response to the increasing manpower demands on the part of the army in the fall of 1942.

At the time of the 17th call-up period (May, 1942) the army was still getting 95% of the men it requisitioned for home defense service.

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Quebec to Amend Succession Duty

From Our Own Correspondent

MONTREAL.—Two measures to amend succession duty laws will be brought down in the Quebec Legislature when it reassembles next month. One will exempt the first $10,000 of an estate. At present estates of $10,000 or less are exempt, but when they are above $10,000 the whole amount is taxable.

The other amendment would abolish succession duties on insurance policies of children when the beneficiaries are the mother, father or grandparents. Exemption already is provided when the beneficiaries are the sisters or brothers of such children.

Steel Ruling Upsets Wage Ceiling Code

Ottawa Sees Prime Minister's Influence as Main Factor in Reversing Policies Followed Since P.C. 5963 Introduced

By KENNETH R. WILSON

OTTAWA.—There is gloom, alarm and dismay in high places here this week as puzzled officials view the remains of last year's wage ceiling policy.

When Prime Minister King announced the original seven-point proposal for settlement of the steel strike on Jan. 19, it was obvious to most observers that a serious blow had been dealt to Canada's wage ceiling and possibly to Canada's price ceiling policy as well.

When the new terms of settlement were announced Sunday night, early fears were not only confirmed but increased.

Held to Principles

In the original government proposal to striking steelworkers some attempt was made to hold to the wage-price ceiling policy as laid down originally. True, basic rate at Dosco was to be raised from 43.5 to 46 cents an hour and the rate at Algoma from 45.5 to 50 cents. Even though these increases were clearly at variance with government policy as interpreted by two regional boards and a Royal Commission, the proposals did at least insist that the "effective" overall rate of 55 cents include a cost-of-living bonus. Thus the relief offered to low-paid workers was given in such a way as to conform as closely as possible to the earlier wage ceiling law.

Essence of that law, it will be remembered, was that basic wage rates must be pegged at or about the levels which prevailed in Nov., 1941. Any subsequent adjustment was to be done only through (1) established regional or national wage machinery in the case of discrepancies between prevailing wage rates in comparable localities and for comparable skills, and (2) by means of adjustment of the cost-of-living bonus.

Basic Rate Hoisted

The new settlement, proposed to the workers by Prime Minister King at the week end, moved the basic rate for steelworkers clear up to the 55 cents an hour which the workers had originally requested. Though the effective overall rate was left for the time being at 55 cents (as in the original proposal of settlement), the workers have now a basic rate of 55 cents an hour which must remain unchanged. They also have the right to appeal to the National War Labor Board (1) for consideration as to whether they should get a cost-of-living bonus on top of their now 55-cent basic rate, and (2) for consideration as to whether the new basic rate applies all through the plant or only to those employees who were formerly getting less than the new basic minimum.

As a result of this settlement the basic rate in the steel industry now moves from 45.5 cents to 55 cents in the case of Algoma workers and from 43.5 cents to 55 cents in the case of Dosco.

How did all this happen?

Ottawa attributes the settlement entirely to Prime Minister King.

King and King Gordon

It was Mr. King who was greatly moved in the first place by some of the passages in King Gordon's minority report. He was moved by the references to conditions, hours and wages under which employees in the steel plants labored. He made

(Continued on page 18, col. 0)

Discuss Details Of 'Ruml' Plan

By STAFF WRITER

OTTAWA.—The cabinet has not as yet reached a decision in respect to the Ruml pay-as-you-go tax plan, and it is doubtful if even Mr. Ilsley himself has decided when or how this new change should be effected in the Canadian income tax structure.

But apart from these uncertainties there is a definite swing to the pay-as-you-go tax plan, and it will most likely come with 1943-44 budget changes.

It is also almost certain that Mr. Ilsley will be required by Parliament to make a statement on the matter before budget day.

Views of Officials

Discussion of the plan in official circles seems now to centre more on questions of detail and application than on argument pro and con.

Ottawa May Overhaul Planning Machinery

Changes Being Made to Facilitate Drafting of Postwar Programme; Prime Minister Will Take Authority Over Committees

By STAFF WRITER

OTTAWA.—Transfer of Canada's entire postwar planning machinery to the Prime Minister, and the naming of the Economic Advisory Committee under Dr. W. C. Clark as the body to co-ordinate this work among all government departments, will probably be announced to Parliament when it gets down to work next week.

It is expected that Prime Minister King will outline what is being done when he addresses the House, and reports are that two orders in council have already been passed, covering the changes.

One of these redefines the functions and jurisdiction of the James Reconstruction Committee. The other enlarges the Economic Advisory Committee and gives it a new directive and responsibility in studying and planning a postwar programme for Canada.

The James Committee has been an appendage of the Department of National Health under Hon. Ian Mackenzie, and has up until now reported direct to a special committee of the House.

Under the new plans it is reconstituted and its duties enlarged and redefined.

Steps up Planning

As a result it is expected that the extent and tempo of Canada's postwar planning will be greatly enlarged and intensified. The original setting under which the James Committee operated had serious constitutional and practical limitations.

Key officials in government circles have been studying for weeks various proposals on how the committee might best be reconstituted to permit for effective work.

Double Personal Bond-buying

The Job Indicated for the National War Finance Committee

By KENNETH R. WILSON

OTTAWA. — Though government estimates are still in embryo for 1943-44, there is nothing secret about the increased load to be placed on the National War Finance Committee in the next 10 or 12 months.

For the man in the street it looks like a demand note for almost double his recent rate of investment in war bonds and certificates.

When Mr. Ilsley announced his original 1942-43 programme, he placed on the National War Finance Committee the job of closing this $1.8 billions gap. At that time he expressed the hope that it might be closed roughtly as follows:

By subscriptions from corporate institutional and non-individual purchasers of war bonds—$800 millions.

By individual subscriptions to Victory loans and war saving certificates . . . $1,200 millions.

The committee's sights have already been raised in recent weeks by Mr. Ilsley's year-end announcement that federal expenditure would touch the $4.5 billions mark in 1942-43. (The earlier comparable estimate of expenditure was $3.9 billions.)

Under the revised 1942-43 programme, the gap between revenue and expenditure is placed at $2,250 millions.

Individuals Fall Short

Analysis of the Third Victory Loan results, announced recently, suggest that corporate savings have exceeded their "quota," but the response from "individuals" has fallen one third short of the anticipated mark.

Purchases of government securities by corporation and institutional buyers has been something close to $800 millions. This exceeds the "goal" by about $200 millions. The response from individuals has probably not risen as yet beyond $800 millions, $400 millions short of the Ilsley objective.

(Just here it is important to point out that there can be no very exact mathematical comparison between the rate of private or corporate saving (in the form of purchases of government securities) and the fiscal year "goals" which Mr. Ilsley talks about. Most purchase commitments for government securities by individual and corporate investors take place at the time of Victory Loans. These loans are scattered at six or eight month intervals with little relation to the beginning or end of a fiscal year. The best that can be done therefore is to compute purchases of government securities and pro-rate them in terms of an effective monthly or yearly "level" of savings. It is these apparent levels of saving which are being compared to the goals which Mr. Ilsley set forth in his June, 1942 budget.)

Raise Savings Goals

Even apart from the obvious substantial increases in purchases of government securities which will be required of Canadians in 1943-44, the savings "goals" which Mr. Ilsley put before the National War Finance Committee in his last year's budget have already been raised.

The original goal of $600 millions, suggested by Mr. Ilsley last year, has already been exceeded by $200 millions. It is not thought likely that any higher level of government purchases of securities from this group can be established at the present time, although a new goal for 1943-44 of $1,000 millions is a distinct possibility.

The current level of individual purchases of government securities is placed at about $800 millions a year. This is estimated by projecting the individual purchases of war bonds in the last loan (about $400 millions) over a 12 month period with some allowance for monthly savings of war savings certificates and stamps. Since most Canadians now subscribing to Victory Bonds will not be asked to raise their commitment until the time of the next loan (April or May, 1943) there is little chance of raising the overall figure before that time.

This means that the government will probably fall short by $600 to $700 millions of meeting its fiscal requirements as outlined in the latest budget estimates by Mr. Ilsley. Part of this may be made up out of the government's accumulation of cash—an increase of $460 millions was reported at the last budget or to inflationary bank borrowings of which $440 millions are already outstanding.

But to keep the books properly in balance the new "theoretical" goal for individual saving is at least $1¼ billions a year and may rise to well over the $1.5 billions mark by the time Mr. Ilsley gets through dotting the "i's" and crossing the "t's" on his next budget estimate.

Added to this is the importance of making sure that bonds and certificates, once sold, do not "bounce" back. It is increasingly evident to N.W.F.C. officials that the effort and cost of selling a war bond to a worker is of little avail if the bond is going to be resold as soon as it is purchased.

This new alignment of goals and a new and intensified effort toward conservation constitute the new challenge to the National War Finance Committee and its organization through Canada.

See Department of Agriculture Administering Food Subsidies

By STAFF WRITER

OTTAWA.—Retirement of Gordon Taggart as Foods Administrator for the W.P.T.B. is taken here as clear indication that the administration of agricultural production and subsidy policy will now shift to the Department of Agriculture.

Rationing of consumer foods and the final approval of consumer foodstuff prices will be left with the department of Finance but the rest of the administration of matters affecting primary foodstuffs will shift, it is believed, to agriculture.

What sort of agreement will be reached in respect of subsidy policy is not quite clear. The Department of Agriculture would clearly like to have the complete and final say as to when and in what form bonuses shall be paid to agricultural producers. On the other hand, there is considerable unwillingness on the part of Department of Finance and W.P.T.B. officials to let this very vital matter go out of their control.

Of course, Mr. Ilsley, as Finance Minister, has to some extent the final word in financial matters, and it would not be surprising if the present rather free predictions that subsidy control will pass completely to agriculture were modified when the final arrangement is completed.

Mr. Taggart's return to Regina is greatly regretted by many at Ottawa. Clearly some administrative changes in his department were imminent (apart from this shift between the two departments). But it had been hoped in many quarters that the reasons which impelled the prices Board to place so much stock in Mr. Taggart in the first place, would again play a part in keeping him at Ottawa even under a different administrative set-up.

One factor which played a dominant part in the decision to accept Mr. Taggart's resignation was undoubtedly the urgent political need for his return to the provincial political fold.

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The War and Business . . .

Planned Parenthood

Managers of 15 United States war plants which employ great numbers of women plan to include advice on planned parenthood in their general health programme, according to New York reports.

While the scheme is not defined more specifically, it tries to space child bearing to meet the health needs of parent and child.

Albert D. Lasker, former head of Lord & Thomas, was a large financial contributor to this general programme, which is promoted by the Planned Parenthood Federation Inc.

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More on the Cuff

It would appear that the government will run behind to the tune of $600 or $700 millions when the final balance is struck for the fiscal year ending March 31, 1943.

At present, the government has borrowed $440 millions "on the cuff" from Canadian banks by way of deposit certificates. It is probable that these borrowings may rise by at least another $200 millions before the end of the present fiscal year.

• • •

No Ration Books

If the carrying of food ration books is a bother, one can get relief but it will be necessary to move to some of the islands off the Canadian coast, or up into the far Northwest Territories or the Yukon. In those remote districts, where their work takes them far from regular food supplies, trappers, missionaries, prospectors, etc., are not required to have ration books. They can buy several weeks' supply of food, too, but total amount over a given period must be in keeping with rationing regulations.

• • •

Save Fuel

If every Canadian, through careful economy in fueling, could save a pound of fuel every day, the amount of fuel thus released to the war effort would total 5,600 tons daily. And this amount, points out a bulletin of the Canadian Institute of Plumbing and Heating, will haul a lot of war material to the fighting fronts.

Yet, if furnaces are properly fired and household heat levels kept in careful control, the saving of this amount per day (a little more than four pounds per family) is a comparatively easy matter—and all without sacrificing household comfort. The Institute rules for fuel saving include, right size and type of fuel, snug fitting furnace doors, correct draft setting and cooler houses at night.

• • •

Germans Will Quit

Censored correspondence coming through from Germany, a noted Washington authority points out, stresses the thought that Germany is sure to win ultimately. Formerly victory was so taken for granted that no special mention of it was made. The next stage will be doubt of victory at all. An official who is said to be fairly conversant with German psychology states:

"Once the German people get into their heads they are going to lose this war, the quickness of their quitting will astonish the world. They will quit then even though they now understand that in this war there can be no distinction made between the German people and their political regime."

Steel Ruling Upsets Wage Ceiling Code

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it quite clear, apparently, that he agreed with Mr. Gordon's view of government wage and economic policy as being flexible and not rigid. This is a point which Mr. King had himself underscored in his original radio address on wage-price policy, Oct., 1941. At that time Mr. King said:

"One of the primary functions of the boards (National War Labor Board and the several regional War Labor Boards) will be to observe how the policy works in practice and to recommend its revision or modification in light of experience."

Clearly Mr. King still believes he is keeping within his own interpretation of the wage-price ceiling and that, to use his own phraseology:

"The government throughout the conference, steadily asserted its conviction that its price ceiling and wage stabilization policy were essential to the effective control of the cost-of-living and the avoidance of inflation."

But at the moment Mr. King seems to stand almost alone in his confidence that the wage and price ceiling policy can be maintained within the framework of the new steel settlement.

Draft Figures Show Slow-up

(Continued from page 17)

After that, the system "broke." By the 20th draft period, when 25,000 men were called, the army got only 29% of its requirement.

In the 22nd call-up period (October to November) the figure shrank to 24%—less than one man being accepted for training out of every four needed.

The laborious effort required to deliver trainees to the army doorstep is shown in figures as to number of medical notices sent out, etc. In the 21-months during which the draft mechanism operated, there were no less than 750,000 medical examination notices mailed—five notices for every man requisitioned by the army. About 11% of these notices were returned undelivered.

After deduction of those who enlisted, were delinquent or are unaccounted, only 446,000 (60%) of the number to whom notices were mailed, actually reported for medical examination before civilian doctors. About 57% of these (257,000) were rejected as being below category A.

Total postponements during the period numbered 121,000, of which 55% were granted to farmers or agriculturists.

Coming closer to the army gates, military notices were finally sent out to only 174,000 (about 23%) of the number to whom medical exam notices were originally mailed. Even a considerable number of these notices were undelivered. After deduction of active enlistments, delinquents and those rejected by army medical boards at the training centre, the army finally accepted 107,678 persons.

NEW DIRECTOR

T. D'Arc. Leonard, K.C., who has been appointed a director of Canada Permanent Mortgage Corp. Mr. Leonard is a director and general manager of Canada Permanent Trust Co. and a director of Continental Life Insurance Co.

No Rationing For Clothing

(Continued from page 17)

trade records show these to be only slightly greater in quantity than the amount of civilian goods imported from Britain during 1940.

Toward the end of 1942 there developed a marked shortage of woollen goods in boys' wear lines, but arrangements were made to keep supplies up to demand at least to the year end.

Buying in States

Now, trade circles say, Canada is counting on the importation of quantities of woollen goods from the United States in order to meet the continuing pressure on the boys' wear business.

Worsted yarns are now being spun in American mills on Canadian order, and before long it is hoped that this can be augmented by the receipt from the United States of finished worsted fabrics.

Enough for Present

One encouraging sign for the average Canadian is the fact that the clothing trade has no particular doubts about being able to take care of everyone next spring. There may be shortages in one or two minor lines, but none, it is estimated, that will have any major effect upon the availability of adequate clothing for the average Canadian.

Meanwhile, rather than leave things to chance, the Wool Administration of the Wartime Prices and Trade Board is making efforts to supplement present supplies.

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Envelopes

for every purpose

Barber-Ellis of Canada, Limited

RECRUIT YOUR DOLLARS FOR *Your* WAR EFFORT

Recruit for your country's service those careless, spendthrift dollars and dimes which seek ways to be squandered. Determined, systematic saving by every citizen is part of the national price of VICTORY. A Savings Account in the Bank of Montreal is a recruiting station for your money. Bring it into your country's service—at any one of our hundreds of branches.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 125 Years' Successful Operation

A 157

Dependable SERVICE QUALITY VALUE

- Fine British Worsteds
- Imported and Canadian Tweeds
- Gabardines
- Sport Coatings

Simpson's

TAILORED-TO-MEASURE SHOP SECOND FLOOR

Chartered Accountant

desires executive accounting position with industrial concern. 10 years' diversified public accounting experience and past three years with Government War Board. Age 31. Married. Excellent references. Apply, stating full particulars, to nearest Employment and Selective Service Office. Refer to number H. O. 7.

Crown Trust Company

STATEMENT OF ASSETS AND LIABILITIES

As at 31st December, 1942

ASSETS		LIABILITIES	
CAPITAL ACCOUNT:		CAPITAL ACCOUNT:	
First Mortgage Loans	$ 326,520.43	Capital Stock fully paid	$ 1,000,000.00
Call and Time Loans	183,800.00	Reserve Fund	400,000.00
Dominion and Provincial Bonds	233,555.00	Profit and Loss Account	41,711.38
Other Securities	67,573.74	Sundry Accounts Payable	3,293.91
Property held for Sale	41,303.85	Provision for Balance of Income and Excess Profits Taxes	9,251.59
Interest due and accrued	4,507.77		$ 1,454,256.88
Sundry Accounts Receivable and Charges paid in advance	14,711.22		
Cash in Office and Banks	189,792.54		
Office Premises and Adjoining Property	392,492.33		
	$ 1,454,256.88		
GUARANTEED ACCOUNT:		GUARANTEED ACCOUNT:	
First Mortgage Loans	$331,175.00	Funds for Investment	$1,769,868.32
Interest due and accrued	9,057.60		1,769,868.32
Loans on bonds and stocks	329,154.06		
Dominion and Provincial Bonds	750,632.50		
Cash in Banks	349,849.16		
	1,769,868.32		
ESTATES, TRUSTS AND AGENCY ACCOUNTS:		ESTATES, TRUSTS AND AGENCY ACCOUNTS:	
Funds and Investments	39,281,452.33	Estates, Trusts and Agencies under administration	39,281,452.33
	$42,505,377.53		$42,505,377.53

BOARD OF DIRECTORS

R. W. Steele, *President.*
Irving P. Rexford, *Vice-President and Managing Director.*
W. R. Salter, K.C., *Vice-President.*

R. C. Berkinshaw, Gerald W. Birks, Arthur H. Campbell, F. J. Campbell, W. A. Eden, F. Wilson Fairman, H. Jasper Humphrey, Arthur Lyman, J. A. Mann, K.C., W. P. O'Brien, Arthur B. Wood, John I. Rankin, James G. Ross, John W. Ross, Arnold Wainwright, K.C., Percy R. Walters

OFFICERS

Irving P. Rexford, *Vice-President and Managing Director.*
W. Hespeler Jackson, *Assistant General Manager*
J. G. McKay, *Assistant General Manager and Secretary.*
Howard A. Eaton, *Manager, Toronto Office.*

Enquiries cordially invited regarding our services and charges.

393 St. James St., Montreal. 80 King Street West, Toronto.

Good Results for 1942

The Huron & Erie Mortgage Corporation

- 79th Year -

Huron & Erie Debentures (Canadian) **higher** at **$24,528,000**
(held by more than 21,000 investors)

Savings Deposits **higher** at **10,061,000**
(over 32,000 depositors)

Total Assets **higher** at **42,355,000**

Holdings of Government bonds and cash are at the **highest point** in several decades.

Undivided profits on hand are **higher** at **239,858**

THE CANADA TRUST COMPANY

- 41st Year -

Total Assets **higher** at **$39,906,000**

Estates, Trusts and Agencies being administered by the Company are **higher** at **30,712,000**

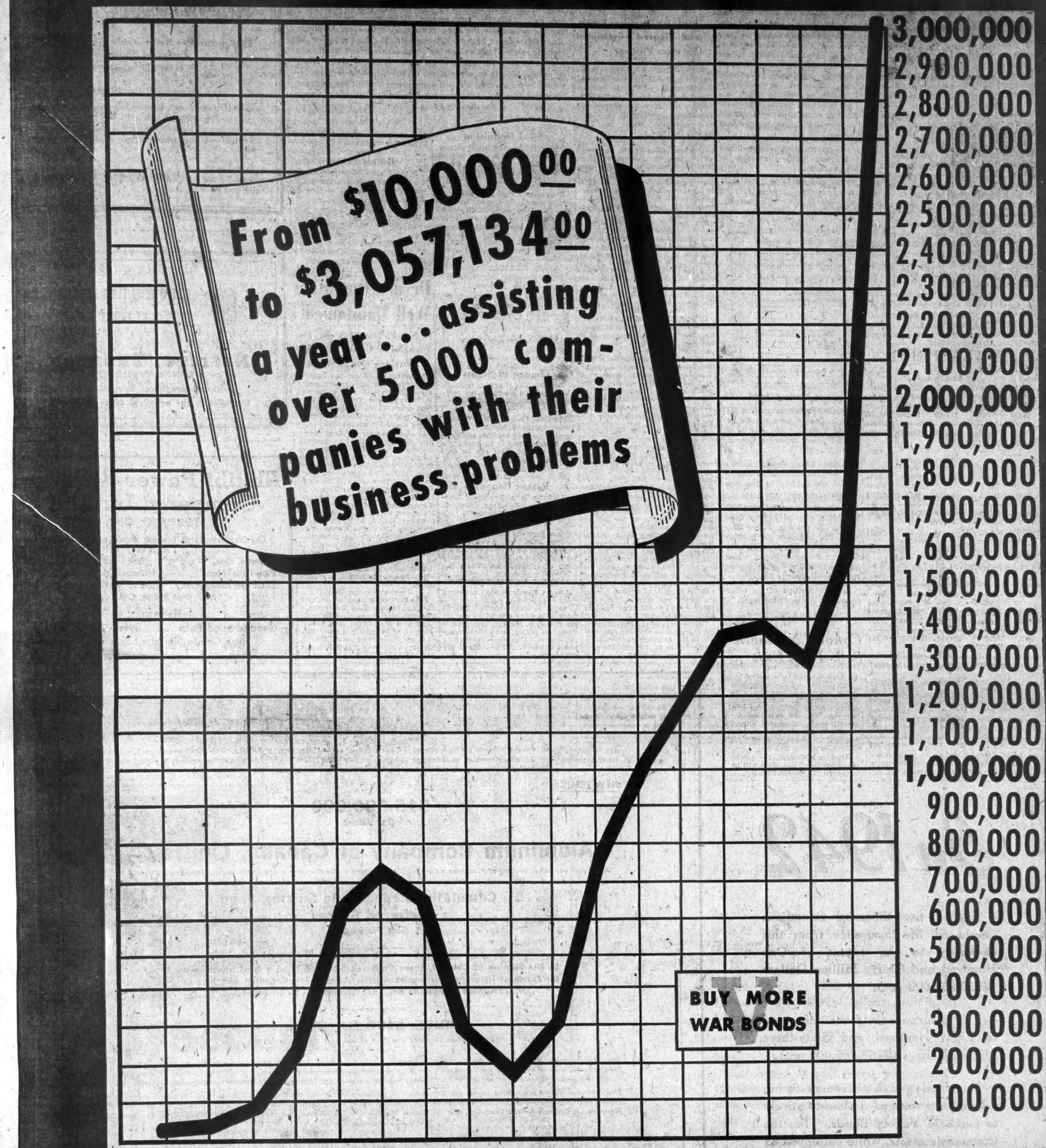
Investments by public in Guaranteed Trust and Deposit Certificates (slightly lower) at **7,429,000**

Undivided profits on hand are **higher** at **76,741**

The friendly staffs of these tested old institutions invite you to transact some of your business with them.

Branch Offices in Six Provinces

London, Toronto, Hamilton, Montreal, St. Thomas, Chatham, Windsor, Winnipeg, Regina, Edmonton, Vancouver, Victoria



GEORGE S. MAY COMPANY

Business Engineering

320 BAY ST., TORONTO

THIS FULL PAGE ADVERTISEMENT IS APPEARING TODAY IN 31 LEADING NEWSPAPERS THROUGHOUT THE UNITED STATES AND CANADA

Newsprint Pool Rate Set

25 Mills Told How Much They Pay and Take

From Our Own Correspondent

MONTREAL. — Twenty-five Canadian newsprint mills now know how much they pay in or take out of the compensation pool set up by R. L. Weldon, newsprint administrator, and operated by the Canadian Stabilization Corp.

Under the order handed down recently, any mill operating over its "fixed percentage" must pay into the pool a certain sum of money for each ton of newsprint paper transferred to it from another mill.

The office of the administrator has worked out the amount each "long" mill must pay into the pool. At the same time it has prepared a secondary figure to show how much each "short" mill is entitled to take out. This information will not be made public.

The figures are preliminary, not final; nor is it likely that the administrator will set a fixed figure at any time because of the practical difficulties in the way of such a step.

The present figure will cover all the tonnage coming under control orders since last September. Accordingly a large sum of money will be due to the Canadian Stabilization Corp.

Remittances to the fund and payments to other manufacturers are to be made on or before Jan. 25 and payments out of the fund by Feb. 1.

In the case of transferred tonnage—newsprint tonnage which the administrator orders transferred by one manufacturer to another for production — the manufacturer who produces and ships it is to invoice it at the full price to the transferring mill, which is to be paid by the 25th of the month following invoice date.

Each manufacturer who produces and ships transferred tonnage is required, when directed, to pay into or receive from the fund whatever amount is necessary to adjust the basic mill net price to the tonnage of the basic mill net price of the manufacturer's own tonnage of newsprint.

Some Better Position

The established position of each mill was made public last week, and 15 out of the 25 mills better their position in respect to their share of the available business, based on rated capacity. Other factors, such as orders on hand, rate of operations, shipments, etc., influenced the established position, so that the "rated" capacity of each individual operator undergoes an adjustment upward or downward from the previous rating.

So far the positions established have been received favorably by the industry.

The percentage of total business available accruing to each operator, in order of importance, follows:

	% of Total Business
Can. Inter. Paper	15.39
Abitibi	13.01
Consolidated	12.99
Price Bros.	8.52
Powell River	5.65
Spruce Falls	4.84
Anglo-Canadian	4.70
Ontario-Minnesota	4.31
Ontario Paper	4.28
St. Lawrence Paper	4.11
Quebec-North Shore	3.32
Mersey	2.68
Great Lakes	2.76
Lake St. John	2.30
Maclaren, James	2.30
Donnacona	1.87
Pacific Mills	1.85
Donohue Bros.	1.07
Eddy, E. B.	1.00
Brompton	0.93
Beaver	0.60
Bathurst	0.39
Booth, J. R.	0.30
St. Raymond	0.30
Provincial	0.12

Few Changes Noted

It is noted that the present ratings, compared with the old capacity ratings, place Abitibi in second place, replacing Consolidated Paper.

Ontario Paper moves up from 11th position in respect to capacity to ninth place in the new listing.

St. Raymond moves from 25th to 24th place and Mersey from 13th to 12th position. James Maclaren Co. improves its position slightly, being on a par with Lake St. John Power & Paper, which previously had a slightly higher rating on a capacity basis.

Relative position of the other companies remains unchanged.

BOX SCORE ON NEWSPRINT

PRODUCTION

	December			January-December		
	1942	1941	Dec.	1942	1941	Dec.
Canada	244,183	300,823	56,640	3,177,094	3,425,865	248,771
United States	74,655	81,680	7,025	952,616	1,014,912	62,296
Newfoundland	19,436	24,450	5,014	277,426	344,800	67,374
Total	338,274	406,953	68,679	4,407,136	4,785,577	378,441

SHIPMENTS FROM CANADA

To	December		Inc. or	January-December		Inc. or
	1942	1941	Dec.	1942	1941	Dec.
Canada	16,751	15,358	+1,393	3,202,536	196,766	+5,770
United States	212,658	268,429	55,771	2,810,832	2,770,002	+40,830
Overseas	14,114	35,495	21,381	195,312	487,897	292,585
Total	243,523	319,282	75,759	3,208,680	3,454,665	245,985

PRODUCTION AND SHIPMENT RATIOS
(Percentage of Capacity)

Production —December—		Shipments	
1942	1941	1942	1941
66.0	82.4	65.8	87.4

SHIPMENTS FROM NEWFOUNDLAND

To	December		Inc. or	January-December		Inc. or
	1942	1941	Dec.	1942	1941	Dec.
Newfoundland	91	78	13	948	742	+206
Overseas	2,224	12,307	10,083	83,479	128,993	45,514
United States	14,632	23,187	8,555	195,753	217,233	21,470
Total	16,947	35,572	18,625	280,180	346,968	65,788

STOCKS OF NEWSPRINT ON HAND

	December 31	
	1942	1941
Mills—		
Canada	91,985	123,571
United States	9,601	7,586
Newfoundland	66,846	69,600
Total	168,432	200,757
U. S. publishers	645,492	521,508
Grand total	813,924	722,265

*All figures given are in short tons, except where noted. Returns are based upon reports issued by the Newsprint Service Bureau, Newsprint Association of Canada, American Newspapers Publishers Association, etc.

New Aluminum Issue Oversold

Circular Discloses Financial Figures — Official View on Postwar

From Our Own Correspondent

MONTREAL.—Subscription books on the new $15 millions issue of Aluminum Co. of Canada 5% preferred stock closed at midnight Wednesday, Jan. 26, with a heavy oversubscription reported by the syndicate managers. Books had been opened Jan. 25.

This is the first public financing ever undertaken by the company, all of the stock of which has been held by Aluminium Ltd. The purpose of offering the stock at this time was to increase working capital to take care of the immediate prosecution of the war programme and to provide for operations in the postwar period.

The new issue is redeemable at any time on 20 days' notice at 105 and accrued dividends. Moreover the company agrees to set up a sinking fund of 3% of the net profits as from May 1, 1948, while if at any time the stock is in arrears of dividends totalling $7.50 a share, the holders will be entitled to elect one-third of the board of directors until the arrears have been paid up.

Views on Outlook

Of particular interest are the comments contained in the circular on the outlook for the company as it represents the official view. This part reads as follows:

"It is obviously impossible to predict the conditions under which the company, or industry in general, will be obliged to operate in the postwar period. Extensive utilization of the company's normal production facilities, let alone those constructed for war purposes, will depend upon the company's continued access to the British Empire and foreign markets.

"The company controls known ore reserves which have been increased over a period at a rate exceeding their depletion and which are adequate to supply the company's requirements, even at the present rate of production, for many years. It has facilities which, under normal conditions, enable the transportation of the ore by deep-water navigation to the company's ore-treating plant. It has Hydro-electric power resources in Canada which are ample for its peacetime needs, and at relatively low cost. It has a modern plant, the practical experience and technique gained over more than forty years, and the benefits of affiliation with the selling and research organizations, as well as the other units, of Aluminium Limited.

"These several factors warrant the expectations that the company will be able to compete aggressively in the future as it has in the past for peacetime markets."

Canada Northern Sells Pulp Unit

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. has sold its pulp mill property to the Canadian Splint and Lumber Corp. The mill has not been in operation for several years. Extensive alterations will be necessary to the building, preparatory to the production of match splints.

When in operation, the power requirements of this plant will be in the neighborhood of 500 h.p.

Your Wartime Business

To aid its subscribers in dealing with the numerous and complex problems created by wartime regulations, The Financial Post offers this new service. Its purpose, to provide as rapidly as possible the answers to specific business problems. As with its other enquiry departments, The Post reserves the right to refrain from answering questions on which the rulings are not clear, or questions whose answers depend on forecasts of coming events or are matters of individual business judgment. In these cases, we will endeavor to present the relevant facts on which the enquirer can base his own decisions. Address queries to the Wartime Business Editor, The Financial Post, 481 University Ave.

Steel Definition

What is the extent of the ground covered by the definition "plates, sheets and/or forgings" in Order S.C.20 of the steel controller?

This takes in "all steel mill products known to the trade as such, except drop forgings, and shall include steel plates, tin plate and terneplate, black steel sheets, blue annealed steel sheets, galvanized steel sheets of all sizes and gauges, and open frame or open hammer forgings."

Milk Prices

When the price of milk was reduced by two cents a quart, Dec. 16, was the price of canned milk also reduced?

No, this did not apply to the canned product.

Change of Status

My daughter is getting married. Where should she report her marriage and change of address?

She should report this to the local ration board of her district. She should also have her changed status and address noted in national registration records. This can be done through any post office.

Ration Coupons

My son will be 12 years old June 14. When and where should I apply for his tea coupons?

Since your son will not be 12 before the next issue of ration books in March, he will not be eligible for tea and coffee rations until the third issue of ration books. When this time comes you should apply to the local rationing board.

Butter Prices

Is there a settled price for butter now, or may one merchant charge one price and another a different rate?

You should not pay more for butter in the same store than you did in the basic period Sept. 15 to Oct. 11, 1941. Different stores may have different prices because basic period prices varied according to stores.

Alberta Pacific Grain's preferred stock has recorded a sharp advance in value in recent weeks. Though there is nothing official to explain the rise, J. R. Murray, president, is quoted as saying that certain negotiations are taking place "which may result in substantial benefits to the shareholders."

John Bertram & Sons has declared an extra dividend of five cents a share on the common stock, payable along with the regular semi-annual dividend of 15 cents per share Feb. 15 to shareholders of record Jan. 31. Similar extras were paid in Feb. and Aug., 1942.

Dryden Operation Well Maintained

No Falling Off in Demand; Could Market More — Conserve Cash

MONTREAL.—Since the installation of the new digester equipment, the mills were in good shape and operations were continuing at a high level, F. A. Sabbaton, president, told shareholders of Dryden Paper Co. at the annual meeting.

In discussing the dividend policy, Mr. Sabbaton said the directors deemed it advisable to build up substantial cash reserves to cope with any uncertainties that may arise, rather than pay out small amounts. The amount to be made available for excess profits tax, he added, has not yet been determined.

Answering a shareholder, J. R. S. McLernon, a director, stated that the company had a large surplus of kraft paper. Exports were small and practically all the production could be absorbed in Canada. If new machinery could be obtained, he continued, the company could substantially increase production, but priorities prevented any such move.

New Issue

Aluminum Company of Canada, Limited

5% Cumulative Redeemable Sinking Fund Preferred Shares

($100 Par Value)

Price: $100 Per Share

(Dividends on shares of this issue accrue from 1st February, 1943)

We shall be glad to furnish a Prospectus upon request.

36 King Street West, Toronto. Telephone: Elgin 4321

Wood, Gundy & Company Limited

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning directly or through subsidiary companies, mills at:

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

In 1942

— Eighty-five thousand Canadians purchased life insurance from this Company to the extent of One Hundred and Thirty Million Dollars ($130,838,000 net).

— Life insurance in force increased to Eight Hundred and Sixty-three Million Dollars ($863,885,000 net).

— New funds and those from maturing investments were used almost entirely to purchase Victory Bonds. Thus the Company's assets, while employed as in years past to safeguard the policyholders' interests, are contributing also to the building of our national security.

A Copy of the Sixty-eighth Annual Report will be mailed upon request.

London Life Insurance Company
Head Office - London, Canada

The Preferred Shares referred to herein are being offered in Canada, but not in the United States of America. This advertisement is not, and under no circumstances is to be construed as, an offering of this issue for sale in the United States of America or the territories or possessions thereof, or an offering to any resident thereof or a solicitation therein of an offer to buy any of this issue.

NEW ISSUE

$15,000,000
(Par Value)

Aluminum Company of Canada, Limited

(A fully-owned subsidiary of Aluminium Limited. Incorporated under the Laws of the Dominion of Canada in 1902)

5% Cumulative Redeemable Sinking Fund Preferred Shares
($100 Par Value)

In the opinion of Counsel, these Preferred Shares will be a legal investment for funds of Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932 (Dominion), as amended.

PRICE: $100 Per Share
(Dividends on shares of this issue accrue from 1st February, 1943)

The offer for subscription of these 5% Cumulative Redeemable Sinking Fund Preferred Shares is made only by means of the Prospectus, a copy of which has been filed with the Secretary of State under the Provisions of The Companies Act, and which will be furnished promptly on request by the Subscription Agents, or by any other dealer authorized to receive applications.

The Preferred Shares are offered (under the Prospectus) if, as and when issued by Aluminum Company of Canada, Limited, subject to all legal matters pertaining to the issue of the Preferred Shares having been approved by Messrs. Geoffrion & Prud'homme, Montreal, as Counsel for the Company, and by Messrs. Montgomery, McMichael, Common & Howard, Montreal, as Counsel for the Subscription Agents.

A. E. Ames & Co., Limited

Wood, Gundy & Company Limited	The Dominion Securities Corporation Limited	Royal Securities Corporation Limited
Nesbitt, Thomson & Company Limited	L. G. Beaubien & Co., Limited	Greenshields & Co Incorporated
W. C. Pitfield & Company Limited	McLeod, Young, Weir & Company Limited	René-T. Leclerc Incorporated
Cochran, Murray & Co., Limited	Collier, Norris & Henderson Limited	Gairdner & Company Limited
Bell, Gouinlock & Co. Limited	Mills, Spence & Co., Limited	Savard, Hodgson & Co. Inc.
James Richardson & Sons	McTaggart, Hannaford, Birks & Gordon Limited	Midland Securities Limited
Eastern Securities Company Limited	F. J. Brennan & Company Limited	T. M. Bell & Company Limited
Mead & Co. Limited	Kerrigan, MacTier & Co. Limited	Société de Placements, Incorporée
Hamel, Fugère & Cie, Limitée	J. C. Boulet, Limitée	Clément, Guimont Inc.
Société Générale de Finance, Inc.	Lagueux & DesRochers Limitée	Oscar Dubé & Cie, Inc.
Fraser, Dingman & Co.	R. A. Daly Co. Limited	Matthews & Company
Dyment, Anderson & Co.	Fry & Company	W. C. Harris & Co. Limited
Harrison & Company Limited	Burns Bros. & Denton Limited	Brawley, Cathers & Co.
La Corporation de Prêts de Québec	J. E. Laflamme, Limitée	Bartlett, Cayley and Company Limited

Subscriptions may be received in each Province through any of the above Subscription Agents registered as investment dealers in such Province and also through other dealers so registered and authorized to receive applications.

The Company reserves the right to close the subscription books at any time without notice and to reject any or all applications, and also in any case to allot a smaller number of shares than may be applied for.

The Wawanēsa

Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $3,310,837.04
Surplus - - - - 1,735,148.67
— Write for Financial Statement —
Free on Request, Our Second Booklet
"Farming Holds the Key"
Head Office: WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada.

United States Fidelity & Guaranty Company
TORONTO

Dominion Appraisal Company Limited

For dependable industrial and Real Estate valuations, select a company of unquestioned reputation.
We suggest the services of this organization.
Equipped to carry out work of any magnitude within a reasonable space of time.
Head Office
137 Wellington St. West
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MONTREAL
University Tower Building

Standardizing Envelopes

New regulations may affect your envelopes — We shall be glad to check over your styles and sizes and advise you with regard to the changes which are coming.
Warning: *If you are designing new office forms to fit envelopes, i.e. invoices, statements, cheques, etc., be sure to have our representative check over the layout for position of windows, matching stocks and sizes of envelopes before printing. This will avoid waste.*
Telephone for information or send us one of each size of envelope you use that we may check them against forthcoming regulations.

W. J. GAGE & CO. LTD. Envelope Manufacturers
TORONTO MONTREAL WINNIPEG

Insurance Company Meetings

Life Presidents Give Views

Discuss Problems of Business and Nation

At annual meetings of Canadian life insurance companies held during the last week, Canada's post war problems, the part played by life insurance in the war effort, and company investment problems, were thoroughly discussed. Extracts from the addresses of the presidents follow:

G. Howard Ferguson, president, Crown Life Insurance Co.

Amid the clash of arms and the horrors of the tragedy of the war we must not forget that success in arms alone does not mean the winning of the war. Of course our first duty is to defeat our foe, but we are fighting for more than that. Democracy . . . will govern our course and will demand that the men who saved for us our heritage and their dependents will have proper recognition and reward at the hands of the State. There must be no repetition of the situation that developed after the war of 1914-1918. . . .

We must provide opportunities for the improvement of his position in life that will be available to every returned man. Some will want to be established in farming—others of a mechanical turn of mind will seek to learn a trade—still others will hope to avail themselves of educational opportunities. Facilities should be provided that will make all of these and other opportunities available.

• • •

M. R. Gooderham, president, Manufacturers Life Insurance Co.

Economic security for dependents, financial independence in old age, the provision of funds needed by our governments, fighting inflation—all these purposes are served by life insurance which opens the way to their achievement, not through legislative action, nor by leaning on the benevolence of government but by the democratic method of self-help on the part of free, independent and self-reliant individuals.

• • •

J. W. Hobbs, president, Continental Life Insurance Co.

We have heard from time to time some who are in high positions calling on the government for total war. No explanation of the term is given, nor possibly can be given, as the term is only relative. It surely cannot mean the closing of all places of amusement, the prohibition of the sale of all luxuries, and the restriction of semi-necessities almost to the point of elimination. Our war effort can only be continued with the limits of our manpower, our means, and our morale.

• • •

J. E. Jeffrey, president, London Life Insurance Co.

. . . Mortgage collections continued to be favorable, and arrears have been reduced so that overdue interest now amounts to less than one third of one per cent of the investment. Our experience with loans placed during recent years has been most satisfactory. An outstanding example is furnished by our National Housing Act mortgages. With more than 2,100 accounts, there were at the year end only 11 in default and none for more than one monthly installment.

• • •

D. E. Kilgour, president, North American Life Co.

Canada should attract and should welcome immigrants of the right type in large numbers. There will no doubt be selfish and local opposition to an aggressive immigration policy, but such opposition should not be allowed to prevail, and those who believe that we have a moral obligation to share our blessings with others and that it will be beneficial to Canada to have a substantially larger population, should make their influence felt. I think it quite within the realm of probability that after the war we may double our population within a period of 15 years.

C. S. Macdonald, president, Confederation Life Association.

Not only have we invested in war bonds the entire net income for the year, i.e. revenue less expenditure, but we have reinvested in addition a very large proportion of the funds returned to us by way of mortgage repayments, bond sales, maturing securities and repayments of policy loans.

On this point, also, we believe we are in complete agreement with our policyowners in that they would wish us to follow this policy and to continue it as long as the war lasts, even though it increases the cost of their insurance. I am not sure that every policyholder realizes the effect on surplus earnings of this investment policy which for all practical purposes means the exclusion of all investments other than war bonds.

• • •

A. N. Mitchell, president, Canada Life Assurance Co.

There is much talk of great changes to come in a postwar world. No doubt many changes will eventuate in our methods of economic control. Many things will be done for the social well-being of the people as a whole. Strenuous efforts will be made to devise continuity of employment and means of guaranteeing social security. There will be great disappointment involved, however, if we build our hopes on a new heaven on earth. Human nature has not yet been deified. These things can come about only by the voluntary co-operation of all classes, working together for the common good.

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J. F. Weston, president, Imperial Life Assurance Co.

There have been numerous attempts by both companies and governments to conduct life insurance through the mail, by advertising and by ordinary merchandising methods, but in each case the response has been negligible and the extent of the coverage accomplished unimportant. It still holds that reluctance to forego present gratification for future benefit shows no sign of waning, and the work of the agent continues imperative for any considerable success.

Insurance Company Reports

Canada Life

Life insurance in force with the Canada Life at $825.7 millions on Dec. 31, 1942, were some $10 millions higher than at the end of 1941, the company's report for 1942 reveals. In addition the company has in force retirement income bonds with maturity benefits totalling $72.8 millions and immediate and vested annuity contracts with a total reserve value of $33.8 millions. New business for the year was $72.9 millions. In the previous year it was $65.8 millions.

Mortality was heavier than in the previous year which was particularly favorable. S. C. McEvenue, general manager, in his address at the annual meeting, stated that war claims amounted to less than 10% of the total.

Cost of administering all insurance business, excluding taxes and investment expenses, decreased by nearly 2% from 1941. Unit cost of acquiring new business declined by over 7%.

	1942 $	1941 $
Business in force	825,740,840	815,470,716
Business issued	72,898,364	65,853,984
Total receipts	39,862,104	39,864,055
Net prem. inc.	25,436,307	25,719,477
Int. divids	11,383,118	11,218,182
Policy payments	24,271,778	23,956,250
Death claims, etc.	6,846,165	7,101,988
Matured endows.	5,227,832	4,798,152
Surr. values	3,163,844	4,038,140
Policy divids.	2,805,002	2,616,850
Annuity payments	4,428,934	4,401,116
Assets	292,483,518	284,617,288
Govt. bonds	156,190,584	150,186,825
Other bonds	45,985,273	39,637,793
Mortgages	42,403,319	43,959,719
Stocks	10,301,187	10,785,636
Policy loans	17,089,837	19,783,794
Policy reserves	266,142,984	245,353,880
Contng. reserves	2,000,000	2,000,000
Free surplus	7,514,587	7,098,462
Interest earned	4.15%	4.31%

Confederation Life

Business in force with the Confederation Life Association at the end of 1942 was almost $494 millions, up $30 millions from the previous year and within a little more than $6 millions of the half billion mark.

Payments on policy contracts were $12.1 millions, of which $3.6 millions was on death claims, a decrease of $193,829 for the year. Of the total claims 8.5% were due to war causes. Mortality experience during the year was described by V. R. Smith, general manager, as surprisingly favorable, being about 10% lighter than a year ago, and with one exception lighter than in any year since 1935. War claims accounted for about 8% of the total.

Important items from the report follow:

	1942 $	1941 $
Business in force	493,788,723	463,289,489
Business issued	63,028,383	58,142,580
Total income	23,969,566	23,307,961
Premiums	17,388,933	17,142,382
Int. and rents	5,971,476	5,848,073
Policy payments	12,103,951	13,515,399
Death claims	3,593,054	3,788,884
Endowments	2,115,551	2,467,206
Annuities	1,397,056	1,365,908
Surrenders	2,547,921	3,192,084
Earned surplus	2,722,671	1,824,874
Operating profit	2,113,510	1,507,370
Assets	140,426,895	141,630,254
Bonds	102,767,833	94,252,432
Stocks	8,537,483	8,405,852
Mortgages	15,515,198	15,773,586
Policy loans	11,498,149	11,991,627
Policy reserves	126,543,881	120,204,029
Funds on deposit	10,372,670	9,789,300
Free surplus	6,071,828	5,144,307
Interest earned	4.32%	4.36%

Crown Life

Insurance in force of the Crown Life Insurance Co. as shown in its report for the year ended Dec. 31, 1942, totals $276 millions, a gain of some $25 millions over the year

The mortality rate experienced by the company is defined as "favorable," including war claims. Death and disability claims paid totalled $1.2 million, and total net payments to policyholders and beneficiaries $3.2 millions.

Mortgage loans outstanding on Dec. 31 totalled $12.8 millions, representing 24% of the assets, on which overdue interest was $185. Payments of interest received during the year were slightly above the amount of interest falling due. Real estate holdings were reduced by sales and now stand at $267,268, in addition to office property of $246,469; less than 1% of assets.

	1942 $	1941 $
Insur. in force	276,627,289	251,326,113
Business issued	37,314,980	34,976,080
Total income	10,575,397	10,774,709
Premiums	7,512,527	7,952,028
Int. divids.	2,069,588	1,934,487
Policy payments	3,239,965	3,516,016
Death claims, etc.	1,231,712	1,355,455
Matured and surr.	1,086,856	1,311,716
Dividends	353,913	353,494
Assets	53,485,690	49,162,679
Govt. & mun. bonds	21,300,444	17,335,743
Other bonds	7,043,334	6,614,336
Stocks	3,164,082	2,752,494
Mortgages	12,804,356	12,083,102
Policy loans	4,896,960	4,843,354
Policy reserves	45,671,964	41,426,677
Surplus	2,171,893	2,037,317
Interest earned	4.45%	4.63%

Great West Life

Great West Life Assurance Co. in 1942 paid out to policyholders and beneficiaries $15.1 millions of which $10.3 millions went to living policyholders, according to the preliminary figures just released.

Payments to beneficiaries were $4.8 millions. Insurance in force at the close of 1942 was $698 millions, compared with $660 millions the year before. Business issued during the year was $78.9 millions, the total for the preceding year being $62.7 millions.

Important figures released follow:

	1942 $	1941 $
Business in force	698,010,493	660,457,610
Business issued	78,910,662	62,788,744
Policy payments	15,178,088	15,884,614
Death claims	4,854,857	4,566,334
Living policyholders	10,323,231	11,318,480
Total assets	180,297,807	180,998,897

Imperial Life

Insurance in force with the Imperial Life Assurance Co. on Dec. 31, 1942, totalled $325.6 millions, exclusive of annuity contracts in force providing annual payments of $564,514. Insurance in force at the end of 1941 was $310.4 millions. New business issued during the year was $32.9 millions compared with $26.4 millions the year before. Total receipts for the year were higher at $16.2 millions, while policy payments at $6.7 millions were lower.

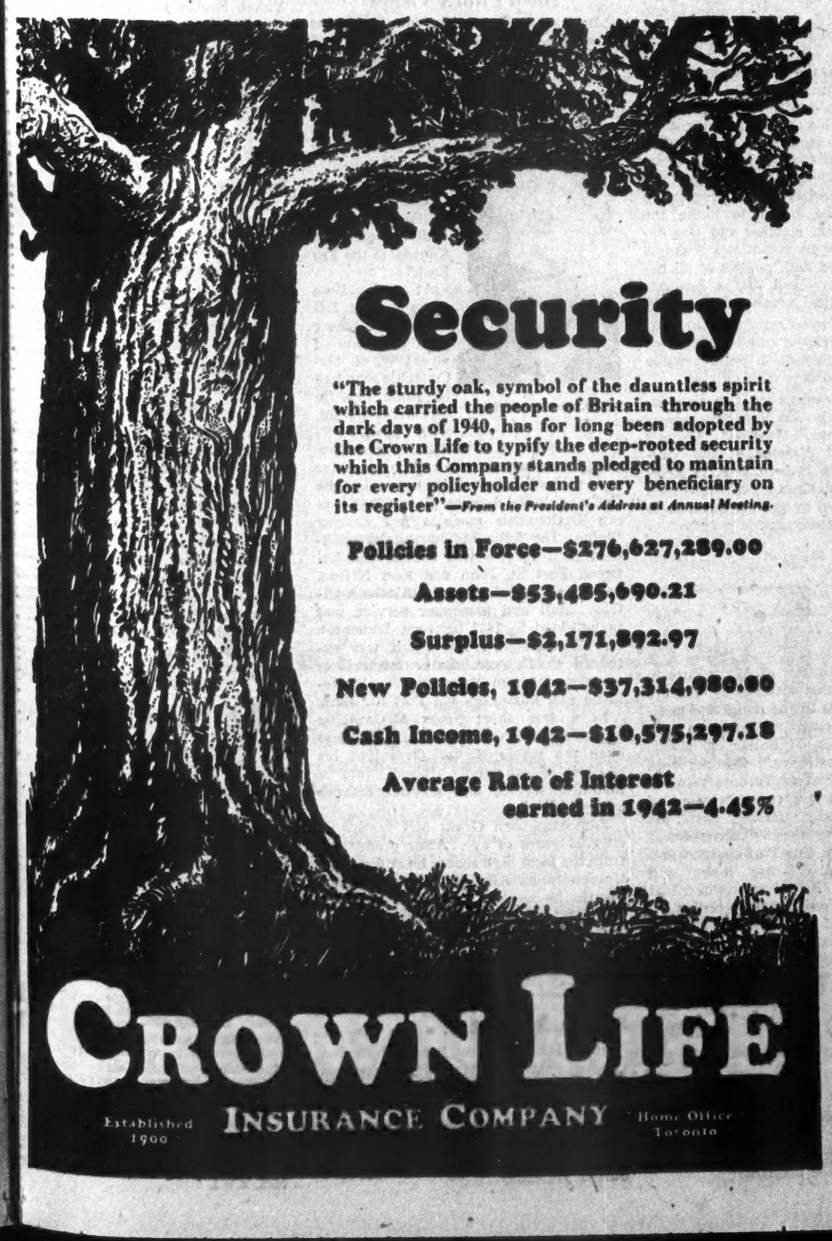
In his address at the annual meeting, President J. F. Weston stated that of the total paid out under policy contracts, $4.1 millions was paid to living policyholders and annuitants and $2.6 millions to beneficiaries of policies that had become claims by death. Of net death claims he stated 7% were due to the war.

	1942 $	1941 $
Business in force	328,672,433	310,460,303
Business issued	32,976,759	26,403,675
Total receipts	16,199,390	15,742,807
Net prem. inc.	9,942,243	9,868,824
Int. divids., etc.	4,044,800	3,870,903
Policy payments	6,785,678	7,097,697
Death claims	2,744,338	2,353,744
Maturities, etc.	980,312	1,319,349
Cash surrenders	1,612,118	2,091,381
Policy divids.	1,218,918	1,333,141
Annuity payments	229,990	210,080
Assets	105,883,994	100,084,636
Bonds and debs.	73,636,396	66,619,680
Stocks	4,469,879	4,814,939
Mortgages	8,640,503	8,920,715
Policy loans	10,516,172	10,648,276
Policy reserves	82,186,261	79,594,769
Free surplus	3,464,207	3,219,827
Interest earned	4.13%	4.30%

For Reports on
Manufacturers Life;
North American Life;
please turn to page 29.

MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
Automobile, Casualty, Fire and Allied Lines, Inland Marine
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

Automobile and General Casualty Insurance
Lumbermens Mutual Casualty Company
Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"
Fire and Allied Lines Written in Associated Companies



Security

"The sturdy oak, symbol of the dauntless spirit which carried the people of Britain through the dark days of 1940, has for long been adopted by the Crown Life to typify the deep-rooted security which this Company stands pledged to maintain for every policyholder and every beneficiary on its register"—*From the President's Address at Annual Meeting.*

Policies in Force—$276,627,289.00
Assets—$53,485,690.21
Surplus—$2,171,892.97
New Policies, 1942—$37,314,980.00
Cash Income, 1942—$16,575,297.18
Average Rate of Interest earned in 1942—4.45%

CROWN LIFE
Established 1900 INSURANCE COMPANY Home Office Toronto

NORTH AMERICAN LIFE ASSURANCE COMPANY

PROFIT AND LOSS ACCOUNT
For the Year Ended 31st December, 1942

REVENUE		
Premiums	$ 8,719,524.40	
Interest, Dividends and Rents	3,104,107.46	
All other Revenue	35,608.21	
		$11,859,240.07
EXPENDITURES AND RESERVES		
Death Claims	$ 1,822,450.26	
Matured Endowments and Surrender Values	2,097,546.25	
Annuity and Disability Benefits	416,653.95	
Policy Reserves—net increase	3,928,062.00	
Policyholders' Funds on Deposit-Interest	179,832.66	
Staff Pension Fund—Interest	46,796.24	
Government and Municipal Taxes	197,938.40	
General Expenses	1,929,664.25	
Other Expenditures	3,750.00	
		$10,622,694.01
Surplus Earnings for the year 1942		1,236,546.06
Free Surplus as at 31st December, 1941		2,380,421.51
		$ 3,616,967.57
APPROPRIATIONS		
Amount written off Head Office Building	$ 50,000.00	
Transfer to Investment Reserve	32,734.61	
Transfer to Contingency Reserve	100,000.00	
Provision for Agents' Pensions	7,708.41	
Dividends Allotted to Policyholders	941,855.11	
		1,132,298.13
Free Surplus as at 31st December, 1942		$ 2,484,669.44

HIGHLIGHTS FROM 62ND ANNUAL REPORT

New Life Assurance and Annuities	$37,911,866
Life Assurance and Annuities in Force	$282,807,174
Assets	$76,324,069
Special Reserves and Surplus Funds	$6,073,919

D. E. KILGOUR, *President and General Manager*
W. M. ANDERSON, *Assistant General Manager*
HEAD OFFICE: TORONTO, CANADA

Cockshutt Moulded Aircraft Ltd. has been formed by Cockshutt Plow Co. to manufacture plastic, bonded, molded, plywood fuselages for aircraft. Operations are already underway at Brantford with some 200 workers reported employed. With arrival of machinery and other equipment this number will be increased to around 1,000 to 1,200.

Directors of the new enterprise are Col. the Hon. Harry Cockshutt, chairman; C. Gordon Cockshutt, president; W. J. Phillips, vice-president and treasurer; Stuart Lee, general manager; J. A. D. Slemin, K.C., secretary.

To Our Policyholders

At our ninety-sixth Annual Meeting we were able to report another year of most satisfactory progress during 1942.

The report showed that the great stability of your Company which has been such a satisfaction to all policyholders was still further improved.

Once more great numbers have been helped through distressing circumstances because of their co-operation with the many thousands of others who constitute this Company. At the same time the funds which have been accumulated on your behalf are being employed very largely in your country's war financing.

A complete annual report is available at any of our offices.

The Canada Life Assurance Company
Established 1847

The Editorial Page . . .

Blundering Legislation

Undoubtedly the most fantastic piece of legislation ever drafted in an age of fantastic legislation is the new Extradition Treaty between Canada and the United States which comes up for ratification at the forthcoming session.

The Financial Post is reliably informed that revision of the treaty is now getting official consideration. But revision, of course, involves agreement on the part of the United States.

But it is high time for Ottawa to move promptly and decisively to correct the blunder which it walked into.

What the new law comes down to is this: Men in Canadian financial houses are liable to find themselves arrested and locked up by the police of the U. S. or of its states. They can be held without bail for two months. This could happen to financial men carrying on what for decades has been normal business operations; if they had any over-the-border financial dealings involving securities not specifically approved by the S.E.C. or if they had contravened the widely varied security laws of any of the states with such laws.

Canadian newspapers carrying financial advertising would technically have to prevent a single copy entering the United States.

Obviously the new Extradition Treaty is blunderbuss legislation designed to give authorities enough power to halt undesirable activities. To a very considerable degree, Canada was "asking for it" because security regulation is a provincial job, and some security commissions have not done enough to stop some undesirable varieties of stock operators using Canada as a place from which to work on the American public. In fact, some S.E.C. officials are said to feel that security commissions here have not only been uncooperative but obstructionist.

A little bad stock business is bad for all stock business. Some effective measures to stop it are welcome.

But this new Extradition Treaty covers so much ground that it hits all financial business and threatens the gravest injustice for a large body of Canadian businessmen. Because it is retroactive, passage of the bill would make hundreds liable to extradition for business operations which were normal and legal prior to its passage.

That the treaty should have been so sloppily-drawn in the first place and that it should have been accepted by the Dominion even tentatively indicates some pretty inefficient work. Prompt and efficient repair of the situation is mandatory.

Farmers Face Labor Crisis

It is nonsense to talk about feeding liberated Europe and China after the war while crippling agricultural production at home. This was the blunt advice of former U. S. president, Herbert Hoover, in a public address last week. Mr. Hoover, who had charge of the feeding of Europe during and after the first Great War, was speaking directly to Americans, but his warning holds for Canada as well.

Already we are having the greatest difficulty in maintaining domestic food production and meeting export commitments to Britain. Aside from wheat, of which we have ample supplies, there is a serious shortage of meats, dairy and poultry products in Canada, and this shortage may soon reach critical proportions if something is not done speedily to relieve the farm labor situation.

Our farms, like those in the United States, have been stripped of manpower to furnish recruits for the armed forces and war factories. It is extremely doubtful whether present limited production of essential foods can be maintained, let alone meeting the increases planned at the Ottawa Conference last fall. As repeatedly stressed by this paper and by scores of competent farm observers, steps must be taken at once to make more skilled labor available for the non-wheat farms of this country or we are going to find ourselves facing calamity. Food is an essential war commodity, even more necessary than munitions.

An Approach That Worked

Restrictions on the credit sale of consumer goods have enabled many merchants to raise the efficiency of their operations very notably.

Since credit restrictions were first introduced in October, 1941, there has been a progressive increase in cash sales, a decline in installment sales and a very sizeable reduction in the total of accounts outstanding of retailers. This unfreezing of assets has helped many merchants better to meet the many difficulties of operating today.

Much of the credit for this performance is due to the Consumer Credit Division of the Wartime Prices and Trade Board, with A. O. Heather as its director. The lack of complaints from merchants is an ample reflection of the fairness in which credit restrictions have been formulated by Mr. Heather and his staff. There have been a few infractions of the rules but the record of necessary prosecutions is very short. The philosophy of this division is to help keep the retailer in business, not to persecute him out of his livelihood. Results show abundantly how well that has worked.

The Financial Post's Platform for War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme for postwar Canada, providing for fullest possible employment and improving social standards, through free competitive enterprise.*

Control of Farm Subsidies

Control of agricultural subsidies would be taken away from the Wartime Prices and Trade Board and turned over to the Dominion Department of Agriculture, if a powerful lobby now under way in many parts of the country is successful.

This would mean that Hon. James Gardiner and his advisors, not Finance Minister Ilsley and Donald Gordon, would decide if, when and how, bonuses on butter, cheese, bacon and other farm products would be paid.

The W.P.T.B. would still set retail prices of farm products, but the actual costs of these to the public treasury would rest with the Dominion Department of Agriculture. Conceivably the subsidies might eventually amount to more than the price asked of the consumer, and their payment would constitute a most serious threat of inflation.

On the other hand the Department of Agriculture officials should know more about farm production and the necessity or otherwise of boosting output through timely bonuses, than the W.P.T.B. So far the latter has not exhibited any great shrewdness in dealing with either beef or butter, the two most critical farm products to date. In both cases W.P.T.B. officials went out of their way to deny the very course they were forced to adopt a few weeks later. That sort of thing does not engender confidence.

Officials of the W.P.T.B. apparently have failed to understand fundamental farm problems. They do not seem to realize that most of the food now running short, takes a long time to produce and that if we want more beef, butter and eggs, preparations, including financial encouragement, may have to start months, sometimes years in advance. They have not grasped the fact, well known to every farmer, that almost all agricultural lines are competitive, with a delicate price balance governing their ebb and flow.

Because the country has a superabundance of wheat and large supplies of live stock feeds W.P.T.B. seems to think that there is nothing to worry about in the general food situation. But the public cannot live on bread alone, and it takes time, manpower and money to manufacture live stock feeds on the farm into butter, bacon, and beef.

These problems, Department of Agriculture officials should understand, but there is grave doubt whether they understand as thoroughly the dangers arising from inflation. That being the case the food solution may not lie in transferring subsidy control to the Department of Agriculture. It might be much wiser to give agriculture a greater voice in policies of the W.P.T.B.

For months it has been an open secret that no love was lost between these two organizations at Ottawa. Undoubtedly this friction is responsible for a great deal of the trouble we find ourselves in today. Such friction has no part whatever, in an all-out war effort.

Woes of Journalism

Add to the woes of journalism:

What side of a cow do you milk from? Which side of a plow turns the furrow?

The Financial Post has been deluged with humorous and sarcastic remarks about a recent cartoon in which plowed furrows were on the wrong side of the plow.

Our cartoonist's head has been hanging blushfully low. Today he is uplifted — and obviously more learned. He is flaunting a photograph from the Evening Telegram, Toronto, which shows Borden's famous cow, Elsie, being milked from the left side.

Most cows insist on being milked from the right side. The Telegram photo has a blonde "milkmaid" operating on Elsie from the left.

Out of curiosity we wondered if a Borden Co. executive would know from which side a cow should be milked. He did!

Cartoon by Grassick.

A JOB FOR A FARMER?

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Postwar International Co-operation is Indispensable

Sumner Welles, United States Under Secretary of State, outlined what might be termed official American opinion regarding postwar international co-operation, in a recent national broadcast, from which the following pertinent paragraphs are taken:

• • •

The foreign policy of any nation must inevitably be a policy of self-interest. The foreign policy of the United States should ever be a policy based upon that course and upon those principles which, in the judgment of the American people themselves, will most clearly further the individual interest of their country, and the general welfare of the people of the United States.

And I think a question that we can well afford to ask ourselves, is whether the policy pursued by the people of the United States during the years subsequent to the end of the last world war has proved in any sense to be to the interest or to the individual advantage of the American people.

During that period we refused to assume the slightest measure of responsibility for the maintenance of world order. During the greater portion of that period we divorced ourselves from almost every form of co-operation with other powers, and as a people and as a government we stood aside while the forces which resulted in Hitlerism and all that which Hitlerism implies were shaping themselves. We stood aside pretending to ourselves that the United States could keep itself secure and free from danger even if all the rest of the world went up in flames.

From the standpoint of narrow and selfish self-interest alone, there are two straight questions which we might well ask ourselves.

The cost of our participation in the war and of our military and naval production will burden the United States with a staggering national debt which must be paid by the taxpayers of this country. To win this struggle we are necessarily diverting the greater portion of our tremendous productive capacity into channels of destruction, not those of construction, and the debt burden which will have been created will inevitably affect the manner of life of every one of us and will inevitably diminish the opportunity for the progressive advancement of the generation to come.

Would we not as a people have been better advised if we had been willing twenty years ago to join with the other free peoples of the earth in promoting an international order which would have maintained the peace of the world, and which could have prevented the rise of those conditions which have resulted in the total war of today? Is it conceivable that the material sacrifices which we might have been called upon to undertake to maintain world order in those earlier years could have involved a thousandth part of the material sacrifices which we are called upon today to undertake?

And the second question we may well ask ourselves is a question which hits straight at every family in the United States which has a father, or a son, or a brother serving this country today in the armed forces of the United States. Had the American people been willing a generation ago to bear their fair share of responsibility for the maintenance of world order, would our men today be forced to offer up their lives in order that they may ensure the preservation of the independence and the security of their fellow citizens?

Already we hear again the voices of those who decry all forms of practical international co-operation. Already we can see the efforts of those who would make this fundamental issue, the issue of our national future, a question of party politics. Already we can once more follow the machinations of those special privilege interests which would again turn the policy of the United States into one of narrow isolation, because of their belief that they themselves would profit through such a course.

Surely this is a question which transcends the bounds of any aspect of party and any claim of material advantage by a special few.

Today we are fighting this war in the closest collaboration with the governments joined with us. Our military operations, so successfully carried out recently on different fronts, have required effective co-operation and understanding with our allies. The very conduct of the war makes it indispensable that this form of agreement as to the strategy of our military and naval undertakings be continued by all of the governments of the United Nations. Our own security depends upon it.

We realize now that in this war this form of association of free peoples, struggling to preserve their liberty, is vitally necessary for the safety of our nation.

Do we realize that an association of the free peoples of the United Nations when the war is won is just as essential to the future security of this country?

Surely we must assure ourselves when we achieve the victory for which we are fighting that this free people of ours, joined with the other free peoples who are fighting at our side, will see to it that the necessary measures of international co-operation are undertaken so that this catastrophe will not occur again.

Post-Scripts . . . .

Towboats

Chubby, good-natured, politically-minded Stanley Stewart McKeen, the new president of the Vancouver Board of Trade, is a leading figure in that characteristic business activity in British Columbia — towboating.

MR. McKEEN

As president of McKeen & Wilson, Standard Towing Co., Coast Scow Co. and associated enterprises, Stan McKeen plays a big part in guaranteeing delivery of raw materials and finished goods to and from the many coastal towns and settlements where Vancouver draws much of its economic wealth.

At 45 Stan McKeen is one of the busiest of Vancouver's executives and yet he has managed to find time during his crowded business routine to carry on a tremendous load of community work. He has been active in A.R.P., in war financing, Rotary and politics. He is still one of the most powerful influences in Liberal circles on the west coast—a sort of contact man between Ottawa and Vancouver.

Stan McKeen's father came from Cape Breton and the family migrated to British Columbia in the early 90's. The son was born in New Westminster on the banks of the Fraser, but he received his schooling in Vancouver and began his business career there.

Three years before Stan McKeen was born his father had launched the towboat business that thrived from the beginning, but when the elder McKeen suffered a stroke the son was called in to take charge at the age of 20. There was nothing that appealed to the young man more at that time than to run the business that his father had founded, but Canada was at war then and the Royal Canadian Air Force had its appeal too. The R.C.A.F. won out, but young McKeen never managed to get overseas, because illness struck him down while in training. The war was over before there was much prospect of his getting to France.

Returning to the Pacific coast, McKeen plunged into the tugboat industry and scored an almost instantaneous success. Against his better judgment he was induced to stand as a Liberal candidate for Point Grey in the provincial election in 1933 and was elected. He was a hard-working and progressive member, but he failed to make the grade at the next election and was defeated, and now he sometimes wonders why he bothered with politics at all because he is convinced that a business career and political advancement simply don't mix.

Since then McKeen has been content to stay on the outside in politics while retaining his contacts with Ottawa.

A former president of the Vancouver Rotary Club, the Vancouver Merchants Exchange, Towboat Owners Association and director of the Vancouver Publicity Bureau and Seamen's Institute, Stan McKeen gives most of his time not required by private business to the Board of Trade.

Half Century of Service

Fifty years ago a young reporter with an idea that the general public was eager for more news of business than was then available in the average newspaper, joined the Toronto Board of Trade. This week that organization presented him with a certificate of honorary membership. The business "reporter" was Lt.-Col. John Bayne Maclean, founder and chairman of the MacLean Publishing Company, which among its 28 publications numbers The Financial Post. In making the presentation Dr. F. A. Gaby, retiring president of the Board of Trade, paid this tribute:

LT.-COL. MACLEAN
Photo by Karsh.

"Col. Maclean is one of Canada's most eminent publishers, one of its oldest soldiers, and one of its most widely-travelled 'unofficial ambassadors.' In the face of these attributes he prefers to think of himself as first of all a reporter.

"It was his ambition to be a good and thorough reporter, free from the necessary limitations of daily newspaper space for business news, which caused him in 1886 to lay the foundation stone for the publishing business which was destined to become one of the largest in the British Empire.

"From the outset Col. Maclean worked to build a national institution. His aim, and the aim of all his publications, has been to help in the development of business and efficiency in Canada.

"Tied in with this aim was a never-ending crusade for good government, which Col. Maclean places as a prime factor. His demand has been for honesty in government and business and for all things which promote leadership, goodwill, prosperity and happiness for the people of the nation."

Now past 80, Col. Maclean is still a reporter, still making contacts which make news. On the side he is consul for Portugal in Toronto.

• • •

Bush Pilot's Vision

Back in 1935 when the late Sir James MacBrien, head of the Royal Canadian Mounted Police, flew overland in the Yukon across British Columbia, he took time out to write in his diary: "Undoubtedly this route will be flown frequently in the future as it is one of the key routes from the United States and Canada to the Far East."

MR. McCONACHIE

At this time there was in Edmonton a young man by name of Grant W. G. McConachie who had the same idea. He was a bush pilot, with vision.

In the winter of 1934-35 he started a programme which only eight years later was to have a vital influence on the Canada-Alaska defense plans. That season McConachie made a few charter flights. The following summer a scheduled mail service was commenced between Fort St. John and Fort Nelson, now two key points on the Alaska highway. Mail and passenger service was inaugurated in 1937 between Edmonton and White Horse. Shortly it was extended to Dawson. Later connections were made from Vancouver to Whitehorse and Edmonton via Fort St. John.

In a few short years McConachie helped more than any one man to blaze open the whole North. Overnight his north-to-Alaska route turned into a mainline service and a vital defense artery.

Edmonton-born Grant McConachie is only 33 years of age. After graduating from the local high school he entered the University of Alberta. In the summer months he worked in C. P. R.'s Ogden Shops at Calgary to help pay his way through school. But the university palled on McConachie. He was more interested in aviation. With the help of fellow students who loaned him the money, he learned how to fly. Then, before graduating, he left to establish a bush service. With the backing of a mine owner by the name of Phillips he secured the necessary aircraft and started freighting in mine equipment to the north.

Before this McConachie had started his transport career by flying a box of crows to the Far North and releasing them so that scientists could follow the migration of birds.

After the transport of mine equipment petered out, McConachie turned his attention to flying fish from the northern lakes to Edmonton. This developed into a regular business and his principal source of income until he envisioned the opening of the Alaska route.

In the early days McConachie and his pilots used Fokker monoplanes. These young pioneers followed fortune's finger wherever there was work for aircraft and handled an assortment of men and goods so familiar to the north. Gradually, as they criss-crossed mountain ranges and the great northern areas they got to know the country. In McConachie's mind there arose the question, "Why not an air route to the Yukon, Alaska and eventually to the North?"

McConachie and his men felt that this route could be used both winter and summer and pointed the way to the builders of the Alaska highway.

McConachie's planes helped to spearhead the advance of the Alaska highway. The exact route of the highway was chosen by means of aerial photography. The veteran pilots who had flown all over the territory and landed at settlements along the way were called in for conferences. Planes were used to fly survey parties and trail blazers in ahead of the road builders to the advance units. They stood by to act as aerial angels of mercy in case of accident. They carried the executive to strategic places for conferences and discussions.

The fish flying route which McConachie started out with eventually developed into the Yukon Southern Transport Co. He became president of the organization. Then a few months ago Yukon Southern merged into the Canadian Pacific Air Lines. McConachie went along. Today he is general manager of Western Lines for the C.P.A.L. with jurisdiction extending from Fort William west to the Pacific and north to the Arctic and Alaska.

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Sayings of the Week

"If I had it to do over again, with God forbid, I'd be harder and tougher till they cut me down."—*Leon Henderson, retiring price administrator.*

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It's wonderful what your neighbors know about you!" — *Mrs. Franklin D. Roosevelt, commenting in her daily newspaper feature, on the folly of hoarding.*

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"We shall make no peace until the forces of the Axis, east and west, north and south, have suffered final, unmistakable and irrevocable defeat." — *Lord Halifax, speaking in Washington on possible Axis moves.*

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"I foresee in 1943 victory for the United Nations. Complete, absolute defeat for the Axis powers. But let's not be stopped this time until we fix things so they never will be able to rise again." —*Admiral Wm. Halsey, commanding South Pacific fleet.*

Other People's Views . . . . . .

The Canadian Editorial of the Week

New Deal in Food Control

Vancouver Sun

The "planting season" of 1943 is not far away. No time should be lost in putting through a streamlined programme that will place food where Mr. Roosevelt said—on a par with planes and tanks. Labor will have to be given to farms on a more liberal basis and subsidies extended to growers of dairy products, potatoes and turnips if the shortages now developing are not to become embarrassing.

Donald Gordon has done a good job so far, but he needs some real farmer assistance to guarantee the production of the goods he so delights to fix prices upon. Mr. Gordon is adamant on prices and ceilings—and he presupposes there will be food to apply prices and ceilings upon. If you give him the production, he is smart and tough about fixing prices and administering distribution.

But there is more than a suspicion, especially in view of what Mr. Gardiner learned at Washington, that there are important weaknesses developing on the production front. Ottawa is therefore moving to a new viewpoint — that all primary production will be reassigned to the Department of Agriculture and Mr. Gordon will be left with food distribution and processing and complete authority over prices under his Wartime Prices and Trade Board.

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As Others See Us . . .

Uncomfortably True

Brantford Expositor

As Cartoonist Grassick of The Financial Post sees it, "No Manpower Policy" equals "Farm Labor Crisis," which, in turn, equals "Food Shortage." This may be over-simplified arithmetic, but it is still uncomfortably close to the truth.

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Farm Labor

Charlottetown Guardian

The Financial Post comes out with a strong warning against the failure at Ottawa to grapple with the farm labor problem. There is, it reminds the government, one thing more important than bullets in this war and that is food. Without an adequate supply of that vital commodity for ourselves and our allies then the fight is hopeless.

Coming from a so-called "big interest" paper, this is signal recognition of the seriousness of the farm labor question, and of the need of prompt and adequate action.

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Oleo Ban Never Justified

Winnipeg Free Press

The Financial Post refers to the pressure exerted by the Canadian butter producers, by which they not only got their product highly protected against competition from our sister Dominions, but demanded and were granted "a nation-wide ban on a cheap and wholesome butter substitute, oleomargarine."

As for the prohibition of oleomargarine, that was never justified and it is not now. It shows shameful disregard for consumers in the low income class, particularly the large families. Such people are not denied the use of this cheap substitute for butter in Britain and they should not be denied it here. It is no argument to say that butter is better, when the price of butter puts an adequate supply beyond a great number of consumers.

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Oleomargarine

Montreal Gazette

There is a butter shortage in the United States, as there is, from the consumer standpoint, in Canada. Thirty per cent of the monthly creamery butter production in the States will be going to American and other United Nations armed forces after February 1. No substantial increase in butter production is expected until the spring, but margarine, a wholesome butter substitute, is available for both army and civilian uses and an official order has authorized a large increase in the margarine output.

Around the middle of December Hon. P. M. Dewan, Minister of Agriculture in Ontario, made this statement: "We are placing ourselves in the dangerous position when somebody is going to talk about importation of butter or, worse, of allowing substitutes." Quoting this, The Financial Post of Toronto retorted that Mr. Dewan was completely out of touch with a vitally interested party, the consumer, a party already incensed and with good reason. The Post charged that through a high-pressure lobby and doubtful politics the butter producer had secured for his product high protection against imported butter and a nation-wide ban on a cheap and wholesome butter substitute, oleomargarine.

What is the government going to do about it? It is not a question now of fixing responsibility for the condition that has arisen, but of dealing with the condition itself. The producer may not be at fault, may be the victim of circumstances, but if there is not enough butter for all consumer needs there seems no good reason why a sound substitute should not be made available.

Stop Me If . . .

In a letter before Pearl Harbor a German citizen reported to his American cousin as follows:

"Dear Uncle Karl: We are all fine. The war has harmed none of us yet. Hitler says he is giving us a new prosperity. Cousin Hendrick, who disagreed, was buried yesterday..."

The Financial Post
Member Audit Bureau of Circulations
A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.
DOUGLAS M. GOWDY, Manager
RONALD A. McEACHERN, Editor
Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
FLOYD S. CHALMERS, Executive Vice-president.
B. G. NEWTON, Vice-president.
Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Lonsdon, Eastern Editor.
Ottawa: 200 Irving Ave. (Tel. 9-0647); Kenneth R. Wilson, Resident Correspondent.
New York: 522 Fifth Ave.
Chicago: 309 West Jackson Blvd.
London, England: Quadrant House, 30 Pall Mall, S.W.1.

Retail Conditions

Survey Shows Retail Improvement

Higher Sales and Increased Liquidity Mark Retailers' Experience

Basis of the new credit restriction order (Financial Post, Jan. 23) effective Feb. 1 requiring down payment of 33⅓% for virtually all consumer goods is an extensive survey of retail credit conditions carried out by the Wartime Prices & Trade Board.

From 970 Canadian retailers W.P.T.B. got figures showing total sales volume for the first seven months of 1942 at $194 millions, up 11.7% from the $173 millions reported for the same period of 1941. Department store sales — roughly about two thirds of the total—increased 12.9% from $119 millions to $134 millions; the balance of non-department store sales of $60 millions were 9.3% higher than the $55 millions total for the first seven months of 1941.

Improve Liquidity

The record shows that retailers have been able to definitely improve the liquid position of their assets. Cash sales have increased substantially as a percentage of total sales; installment accounts have declined; charge accounts show comparatively small change in the overall picture but have been cut sharply in some items where this type of selling bulks importantly.

Retailers reported that their accounts receivable have been materially reduced. Net effect of the whole situation is that the cash position of retailers has been improved; less of their assets are frozen; they are better able to meet the difficulties of operating under the price ceiling. Small doubt exists that much of this betterment is due to the effect of credit regulations instituted Oct., 1941, and since, which have been under the guidance of A. O. Heather, director of W.P.T.B.'s Consumer Credit division.

Sales Volume

The following table shows sales volume for the different classifications reporting for the seven months ended July 31, 1942, and the percentage increase over the same period of 1941.

Total Sales Jan.-July, 1942	$	% inc. over prev. yr.
Men's clothing	7,242,532	26.2
Women's clothing	11,310,918	23.0
General clothing	7,102,767	16.9
Total clothing	25,756,217	22.7
Furniture	14,228,547	—6.7
Radio & electric	6,680,980	1.8
Furn. & radio	3,975,942	2.2
Total house furn.	24,885,469	—3.2
Jewellery	7,787,748	15.2
Unclassified	1,499,382	11.1
Total less dept. stores	50,938,816	9.3
Dept. stores	133,909,462	12.9
Grand total — decline.	183,848,278	11.7

Cash sales reported as a percentage of total sales showed an appreciable increase during the year the comparison being:

Cash Sales as % of Total Sales	1942 %	1941 %
Men's clothing	69.6	64.0
Women's clothing	69.0	60.2
General clothing	56.9	49.7
Total clothing	64.2	56.9
Furniture	31.1	24.5
Radio & elec.	42.0	30.0
Furn. & radio	36.8	17.3
Total house furn.	33.6	24.6
Jewellery	64.6	57.5
Unclassified	53.7	45.7
Total less dept. stores	50.6	41.3
Dept. stores	64.4	57.4
Grand total	60.0	52.2

Charge accounts on the whole formed about the same percentage of sales as they did in 1941. Charge accounts were more important in clothing and jewellery stores but the greatest declines in importance during the year were in those types.

Charge Accounts as % of Total Sales	1942 %	1941 %
Men's clothing	24.1	26.3
Women's clothing	22.7	26.1
General clothing	31.2	30.7
Total clothing	26.6	28.1
Furniture	13.7	11.2
Radio and elec.	27.5	27.4
Furn. and radio	12.2	10.1
Total house furn.	17.8	16.2
Jewellery	28.4	22.2
Unclassified	41.0	48.3
Total less dept. stores	23.6	23.9
Dept. stores	24.8	25.9
Grand total	24.4	25.2

Installment sales represented 18.6% of all sales in 1942 but nearly half of furniture sales. Decline in installment sales, however, was greatest in furniture, the item in which it is most important. Probable factor in decline in installment sales in the radio and electrical group is the shortage of supply which has allowed dealers to insist on cash terms.

Instal. Accts. as % of Total Sales	1942 %	1941 %
Men's clothing	6.3	9.7
Women's clothing	8.1	13.6
General clothing	11.9	19.6
Total clothing	9.2	15.0
Furniture	38.1	64.2
Radio and elec.	30.5	42.6
Furn. and radio	61.0	72.6
Total house furn.	48.4	59.6
Jewellery	7.0	10.2
Unclassified	5.3	6.0
Total less dept. stores	25.6	34.7
Dept. stores	10.7	16.7
Grand total	15.8	22.6

Shift in Settlements

Thus it is clear that within the past year there has been a sharp shift in the importance of the three methods of settlement in the stores covered. Installment sales have declined substantially in all types of stores and particularly in furniture stores. Charge accounts have increased slightly in furniture stores as this type of settlement displaced installment selling, while in other types of stores, charge account sales declined in importance at the same time that installment sales were cut. Cash sales formed a much larger proportion of total sales in all types of stores. The first objective of cutting credit sales was thus achieved.

Second objective was to improve the financial position of retailers by reducing the volume of accounts outstanding. On July 31, 1941, the 655 stores reporting showed total accounts outstanding at $43 millions. By July 31, 1942, this was down to $29 millions, a drop of 31.7%.

Cut Receivables

The following table shows the importance of consumer credit regulations in this regard. First is shown the percentage change in accounts receivable from July 31, 1941, to Oct. 31, 1941, showing increases well in the majority and an average increase of 5.7% within the three-month period. The new regulations began to be felt about the end of October and the second column shows the difference between accounts receivable as at Oct. 31, 1941, and as at July 31, 1942. There is not a single increase shown and the average decline is 35.9%. Thus an increase which was averaging about 2% per month was changed to a decrease of almost 4% per month.

Change in Total Accts. Receivable	July-Oct., 1941	Oct., 1941-July, 1942
Men's clothing	*5.6	—22.4
Women's clothing	*16.1	—36.4
General clothing	*12.1	—40.8
Total clothing	*12.4	—34.8
Furniture	*0.6	—32.5
Radio and elec.	*0.9	—32.8
Furn. and radio	*7.6	—36.3
Total house furn.	*1.7	—31.7
Jewellery	*4.6	—34.8
Unclassified	—5.9	—30.3
Total less dept. stores	*2.9	—33.6
Dept. stores	*8.4	—36.9
Grand total	*5.7	—35.9

*Increase. —Decrease.

Only 529 firms reported their outstanding charge accounts and installment accounts separately. This necessitated some consolidation in the breakdowns. The following table shows the percentage change in charge accounts receivable from July 31, 1941, to July 31, 1942. The reduction averages 18.2% and reflects the increased importance of charge account sales in furniture stores.

Decline in Charge Accounts Receivable	July, 1941-July, 1942 %
Total house furn.	2.5
Total less dept. stores	15.4
Dept. stores	19.0
Total (all types)	18.2

Greatest reduction in accounts outstanding was in installment accounts as shown in this tabulation.

Decline in Instal. Accounts Receivable	July, 1941-July, 1942 %
Total house furn.	26.5
Total less dept. stores	29.7
Dept. stores	37.8
Total (all types)	34.4

Only 302 firms supplied an answer as to how far they had to depend on outside financial support to carry their accounts receivable. The following table shows the percentage of total installment accounts receivable which had been discounted as at July 31, 1941, and July 31, 1942.

Discounted Installment Accounts	July, 1942 %	July, 1941 %
Total house furn.	14.4	17.9
Total less dept. stores	12.9	16.0
Dept. stores	3.6	4.2
Total (all types)	8.6	10.0

Total Reduced

The slight change in the figures on proportion of discounted accounts conceals the fact that there had been a substantial cut in the total accounts outstanding and, consequently, in the total of bank discountings. This fact is shown by the following tabulation of discounted installment accounts as at July 31, 1942, and a year earlier.

Discounted Installment Accounts	July, 1942 $	July, 1941 $
Total house furn.	862,339	9,436,598
Total less dept. stores	816,381	1,661,306
Dept. stores	201,957	394,568
Total (all types)	1,018,338	1,830,974

In addition to their discounted accounts the reporting firms were carrying on July 31, 1942, a total of $10,780,459 in installment accounts without external financial assistance. Comparative figures on this item are:

Instal. Credit Carried Without External Financing	July, 1942 $	July, 1941 $
Total house furn.	4,737,468	6,589,475
Total less dept. stores	5,967,539	7,837,002
Dept. stores	5,771,329	8,944,513
Total (all types)	10,780,459	16,821,515

Concludes W.P.T.B.: "The firms have definitely succeeded in increasing their liquidity and have concentrated particularly on reducing their bank loans."

NAMED TREASURER

J. Albert Shink, who has been named treasurer of the Mount Royal Hotel Co. Comptroller of the hotel for the last ten years, he was formerly on the staff of the Canadian Bank of Commerce.

The Week in Business

Many stores during the last few days have announced that sales which they featured around this season during other years are now out. This development on the retail front is in keeping with the policy of most retailers of making their present stocks last as long as possible, in the knowledge that replacements will be difficult if not impossible to obtain.

There appears to be small possibility of any national regulation of retail store hours. While the Wartime Prices and Trade Board continues to keep the subject under study, the feeling seems to be that in view of widely divergent conditions no order of national application can be drawn that would be suitable to all areas and all classes of trade and consumers. Limiting hours is being left mainly to the retailers themselves.

Bank deposits continue to climb, reflecting the accumulating pressure of higher payrolls and full employment. D.B.S. index for December stood at 189.0 as against 185.1 in November and 154.7 a year ago.

Railway carloadings so far this year are running a little below those for last year, with total of 2.2% less than last year. This has not reflected in C.P.R. gross earnings, however, with this figure for the first three weeks of the year showing a gain of 11.9% over the same period of 1942.

Building contracts let have shown a rather sharp decline with scarcity of material being a factor in this situation. Permits let in 1942 totalled $103.8 millions, down some 23.3% from 1941.

Cotton consumption continues at a high level at close to the 16 million lb. mark monthly. For all 1942 consumption amounted to over 195 million lb., a decrease of 1.3% from the 1941 total.

	Dec.	Nov.	Oct.	Sept.	Year Ago
Physical vol. of business, D.B.S.*	....	207.8	207.2	206.1	183.7
National Income, D.B.S.*	....	....	....	648.2	600.3
Nat. Income Index (1935-39=100)	....	....	....	190.1	176.6
Dom. war expend. (million $)	219.9	209.6	175.9	207.2	124.0
Dom. total revenue (do.)	175.0	180.7	203.9	162.4	111.6
Dom. total expend. (do.)	360.4	335.5	357.4	318.9	166.7
Retail sales index no.	....	162.1	152.1	152.3	138.2
Dept. store sales index no.	....	170.7	152.9	152.7	137.6
Wholesale sales index no.	....	151.8	170.7	177.9	143.4
Country store (% change pr. yr.)	....	+15.9	+16.7	+12.6	+5.0
Divd. payment index‡	122.7	123.1	123.3	123.5	120.3
‡Bank deposits (1926=100)	189.0	185.1	179.1	170.1	154.7
Cash and cheque pay. index	....	197.8	161.3	139.7	132.2
Bank debits (1935-39=100)	....	164.0	135.7	134.5	113.2
Money supply (c)	....	4,280	4,120	3,927	3,501
NEWSPRINT % OF CAPACITY—					
Production ratio	66.0	70.6	70.9	72.4	62.4
Shipment ratio	65.8	71.2	76.9	82.1	67.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	137.2	134.5	127.1	130.6
Cars	....	128.5	124.6	117.4	124.4
COST OF LIVING—					
D.B.S. index	118.6	118.8	117.8	117.4	115.8
EMPLOYMENT INDEX Nos. D.B.S.—					
‡All industries	....	183.3	181.3	170.3	167.8
‡Manufacturing	....	216.6	218.3	215.6	187.5
‡Payrolls (June 1/41=100 (b)	....	140.8	138.0	135.5	117.3
Payroll index (a) (1937=100)	....	214	223	210	186

	1942	1941	Jan. 1 to date 1942	1941	% Change
RAILWAYS—					
‡Carloadings (week Jan. 16)	61,947	63,361	165,446	169,243	—2.2
‡C.P.R. gross (week Jan. 21)	$ 4,253,000	4,158,000	12,909,000	11,533,000	+11.9
C.N.R. gross rev. (Nov.)	$ 31,886,000	27,292,966	338,695,000	276,365,487	+22.6
C.N.R. net rev. (Nov.)	$ 6,602,144	5,719,863	74,266,508	60,347,891	+23.0
C.P.R. gross rev. (Nov.)	$ 22,414,905	20,207,692	232,340,753	200,541,536	+16.0
C.P.R. net rev. (Nov.)	$ 5,269,423	5,201,227	42,993,380	40,866,786	+5.2
IRON AND STEEL—(November)—					
Pig iron production (tons)	170,578	149,783	1,819,633	1,381,873	+32.9
Steel production (tons)	270,912	247,931	2,851,527	2,450,402	+16.4
CONSTRUCTION—					
Contracts awarded (Dec.)	$ 9,608,900	19,109,900	281,564,100	393,991,300	—28.5
‡Building permits (Dec.)	$ 6,338,265	8,391,308	103,820,302	135,301,519	—23.2
Cement prod., bbls. (Oct.)	1,146,307	1,042,685	6,190,634	7,224,025	+11.6
AGRICULTURE—					
Flour prod., bbls. (Nov.)	1,973,401	1,664,863	18,697,561	18,894,396	—1.0
Cattle sales‡ (Dec.)	109,830	116,022	1,173,714	1,239,526	—5.3
Hog sales‡ (Dec.)	722,284	796,177	6,228,163	6,216,207	+0.2
SEA FISHERIES—‡					
Catch, cwts. (Nov.)	761,600	921,100	10,047,300	10,483,900	—4.1
Landed value (Nov.)	1,494,300	1,396,100	30,250,300	24,541,900	+23.3
NEWSPRINT—					
Production, tons (Dec.)	244,183	300,823	3,177,094	3,423,985	—7.2
Exports, tons (Dec.)	236,772	303,924	3,006,144	3,287,899	—7.7
MINING AND OILS—					
Coal prod., tons (Nov.)	1,618,113	1,528,937	17,103,950	16,411,953	+4.2
‡Gold rec., fine oz. (Dec.)	349,459	401,716	4,594,487	5,081,480	—9.6
‡Petroleum prod., brl. (Nov.)	838,350	855,993	9,504,281	9,238,961	+2.9
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	3,180,153	3,185,992	33,960,710	30,224,960	+12.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (Nov.)	2,884,992	2,935,564	30,549,537	29,910,628	+2.1
‡Cotton consump., lb. (Dec.)	15,797,619	16,150,612	198,701,970	198,389,402	—1.2
Cigarette cons., No.† (Nov.)	1,045,660	753,932	9,277,939	7,861,717	+18.0
FINANCE—					
Bank debits‡ (Nov.)	$ 4,966,556	3,428,906	41,331,641	35,556,411	+16.2
Bond sales‡ (Dec.)	$ 92,552	92,473	4,290,136	2,560,181	+67.7
Life insurance sales (Nov.)	$ 52,042,000	44,954,000	439,246,000	361,743,000	+20.3

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Trial at yards and plants. †000 omitted. *Millions of dollars.
ΔSupplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

FERTILIZER FOR TOBACCO. W.P.T.B. Order A-548, Jan. 5, regulates the sale of fertilizer to tobacco growers in the counties of Norfolk, Elgin, Oxford and Brant in Ontario. Adm. of Fertilizers, G. S. Peart.

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HARD FIBRE AND CORDAGE. M. & S Order CS-1, Jan. 9, places restrictions on the use and purchase of hard fibre and cordage. Dept. Con. of Supplies, G. Peter Kaye.

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DRIED FRUITS. W.P.T.B. Order A-553, Jan. 8, establishes the maximum prices which may be charged for certain dried fruits purchased through the Commodity Prices Stabilization Corp. Food Adm., J. G. Taggart.

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ARMORED CABLE. W.P.T.B. Order A-552, Jan. 12. Except with written permission no person shall manufacture flexible metal-covered cable of the type commonly called BX. Nothing in the order prohibits the manufacture of lead-covered armored cable, or BX cable for any article ordered by the Department of Munitions and Supply or any of the defense departments. Adm. of Electrical Equipment, A. L. Brown.

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FISH BOXES. W.P.T.B. Order A-550, Jan. 12, provides that a person who sells fish at wholesale may charge a deposit on the boxes in which it is delivered to the retailer. Foods Adm., J. G. Taggart.

LABELLING FURS. W.P.T.B. Order A-558, Jan. 12. The correct fur name must be marked on every fur garment and no person shall advertise any fur without giving its correct name. Adm. of Fur Skins, Michael Morris.

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GLOVES AND MITTS. W.P.T.B. Order A-557, Jan. 16. No person may make more than two thirds the number of styles of gloves or mitts that he made last year. A schedule sets out the styles and colors permitted. Adm. of Work Clothing, A. Bradshaw.

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Trust Firms Show Progress

Increased Liquidity, Steady Earnings Mark 1942 Reports

Canada Trust

Canada Trust Co., London, Ont., had net profit of $85,458 in the year ended Dec. 31, 1942, or $8.84 per share, as compared with $88,462 in the previous year. A total dividend distribution of $6 per share was made in the year. The company is a subsidiary of the Huron & Erie Mortgage Corp.

NEW PRESIDENT

D. CLIVE BETTS

Vice-President of Canadian Breweries Limited, was elected President of the Dominion Brewers' Association at the annual meeting held at Ottawa on January 21.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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The company will hold its annual meeting at London, Feb. 10, when a new by-law will be considered to empower the directors to appoint an executive committee of not less than three of their number, should the need arise, with such powers of the board as they may delegate to them.

Income and Surplus Account
Years ended Dec. 31

	1942	1941
	$	$
Net profit	88,458	88,462
Less: Dividends	60,000	60,000
Surplus for year	28,458	28,462
Add: prev. surplus	71,771	68,375
Less: Tr. pens. fund	20,488	22,566
War charities	.....	2,500
Surplus forward	79,741	71,771
Earned per share	$8.84	$8.84
Paid	$6.00	$6.00

Creditors Position

	1942	1941
	$	$
Trust funds and int.	7,429,384	7,468,053
Secured by:		
Liquid assets	1,971,352	1,761,473
Mortgages & int.	5,413,175	5,661,623
Other net assets	1,683,741	1,871,771
	9,078,268	9,095,167
Estates, etc.	30,712,567	26,932,184

Toronto Gen. Trusts

Net profit of Toronto General Trusts Corp. was maintained during 1942 at almost the same level as in 1941.

Annual meeting will be held at the Toronto head office Feb. 3.

Income and Surplus Account
Years Ended Dec. 31

	1942	1941
	$	$
Net earnings	309,549	309,144
Less: Taxes	95,000	95,000
Net profit	214,549	214,144
Less: Dividends	120,000	120,000
W/o office premises	50,000	50,000
Surplus for year	44,549	44,144
Add: Prev. surplus	503,803	459,660
Surplus forward	548,452	503,804
Earned per share	$7.15	$7.14
Paid	4.00	4.00

Creditors' Position

	1942	1941
	$	$
Invest. certificates	10,491,317	10,943,265
Deposits	6,666,550	6,847,848
Total	17,157,867	17,791,113
Secured by:		
Liquid assets	6,529,463	6,317,395
Mtges. & int.	10,628,462	11,473,717
Other net assets	5,061,592	5,003,804
Total	22,219,457	22,794,916
Estates, etc.	238,225,760	235,090,056

Ontario Loan

Payment of mortgage interest was exceedingly good during 1942, reports Archibald McPherson, president of Ontario Loan & Debenture Co., London, and repayments of principal were so good that notwithstanding a fair volume of new mortgage loaning during the year the total of mortgages declined $332,884.

The real estate market was active, permitting a large number of sales, with the result that real estate held for sale was reduced by almost $300,000 to $195,701, which is the lowest figure for many years.

Sterling debentures outstanding showed a further moderate decrease during the year to $97,818, while currency debentures increased by $251,452.

Income and Surplus Account
Years ended Dec. 31

	1942	1941
	$	$
Net earnings	348,881	340,579
Less: Taxes	138,000	135,000
Net profit	210,881	205,579
Less: Dividends	200,000	200,000
Surplus for year	10,881	5,579
Add: Prev. surplus	110,468	109,889
Less: Tfr. emp. fund	10,000	5,000
Surplus forward	111,349	110,468
Earned per share	$5.27	$5.14
Paid	5.00	5.00

Liabilities to Public

	1942	1941
	$	$
Debentures	8,879,929	8,633,373
Deposits	3,509,093	3,897,815
Total	12,389,022	12,531,188
Secured by:		
Liquid assets	4,870,118	4,200,323
Mortgages and int.	11,714,500	12,047,383
Other net assets	400,789	553,062
	16,984,407	17,644,556

Huron & Erie

Huron & Erie Mortgage Corp. reports net profit for 1942 at $292,554 against $247,846 in 1941, or $5.85 a share against $4.95.

It is officially stated that the exact liability for Dominion taxes covering the past two or three years has not been clearly determined, but that rulings will probably be obtained from the taxing authorities during the coming year. Meanwhile, the company's provision of $100,000 is said to appear ample to cover anticipated levies.

Income and Surplus Account
Years ended Dec. 31

	1942	1941
	$	$
Net earnings	292,554	295,973
Less: Dom., Prov. & munic taxes	.....	48,127
Net profit	292,554	247,846
Less: Dividends	200,000	200,000
Surplus for year	92,554	47,846
Add: Prev. surplus	197,304	153,958
Less: War charities w/o off premises	50,000	4,500
Surplus forward	239,858	197,304
Earnings per share	$5.85	$4.95
Paid	4.00	4.00

Liabilities to the Public

	1942	1941
	$	$
Debentures	25,138,034	25,227,791
Deposits	10,061,466	9,841,422
Interest	266,519	254,178
	35,466,019	35,323,411
Secured by:		
Liquid assets	6,597,038	6,138,974
Mtges., etc and int.	29,543,828	30,860,329
Other net assets*	6,214,511	5,073,412
	42,356,377	43,117,175

*Including stocks of Canada Trust Co. carried at $1,553,480; unrealized assets of The Peoples Loan and Savings Corp., carried at $671,703 in 1942, $729,407 in 1941.

British Mortgage

Both guaranteed investment receipts and deposits held by British Mortgage & Trust Corp. of Ontario for the public expanded during 1942, combined total of $5.9 millions comparing with $5.7 millions at the end of 1941. Nelson Monteith, president, states that the second and third Victory Loans caused quite substantial, though temporary, shrinkages in the deposit item.

Annual meeting will be held at head office in Stratford, Ont., Feb. 11.

Income and Surplus Account
Years Ended Dec 31

	1942	1941
	$	$
Net earnings	94,338	100,185
Less: Taxes	9,000	13,500
Net profit	85,338	86,685
Less: Dividends	80,000	80,000
Surplus for year	5,338	6,685
Add: Prev. surplus	47,508	40,823
Surplus forward	52,846	47,508
Earned per share	$8.53	$8.67
Paid	8.00	8.00

Liabilities to Public

	1942	1941
	$	$
Gtd. invest. receipts	3,441,211	3,383,391
Deposits	2,473,780	2,369,823
Total	5,914,991	5,753,214
Secured by:		
Liquid assets	2,865,120	2,382,136
Mortgages & int.	3,049,871	3,371,078
Other net assets	1,877,946	1,872,608
Total	7,792,937	7,625,823
Estates, etc.	770,753	850,301

Central Canada

Central Canada Loan & Savings has for a number of years operated as an investment trust, holding controlling interest in the Canada Life Assurance Co., together with shares in National Trust Co., Canadian Bank of Commerce, Western Assurance Co. and the Canadian Real Estate Co.

Income and Surplus Account
Years Ended Dec 31

	1942	1941
	$	$
Net profit for year	207,019	202,607
Less: Dividends	200,000	200,000
Surplus for year	7,019	2,607
Add: Prev. surplus	202,394	199,787
Surplus forward	209,413	202,394
Earned per share	$8.28	$8.10
Paid	8.00	8.00

Guaranty Trust

Guaranty Trust Co. of Canada had a satisfactory year during 1942, reports E. B. Winter, president. Earnings were maintained despite heavier taxation, and gains were recorded in all departments of the company's activities.

Income and Surplus Account
Years Ended Dec 31

	1942	1941
	$	$
Net earnings	31,053	29,717
Less: Tax reserve	12,744	11,483
Net profit	18,309	18,234
Less: Dividends	15,000	15,000
Surplus for year	3,309	3,234
Add: Prev. surplus	23,931	20,697
Less: Tax reserve fd.	14,000	.....
Surplus forward	13,240	23,931
Earned per share*	6.10%	6.10%
Paid	5.00%	5.00%

*On 3,000 shares of $100 par value, on which $300,000 has been paid.

Liabilities to Public

	1942	1941
	$	$
Guar. trust acct.	2,057,357	1,912,834
Secured by:		
Liquid assets	1,766,700	1,545,884
Mortgages & int.	273,157	280,900
Other net assets	386,340	384,932
Total	2,445,497	2,191,756
Estates, etc.	11,382,229	9,831,056

Lambton Loan

Earnings of Lambton Loan & Investment Co., Sarnia, showed some contraction during 1942 to $2.63 a share from $2.96 in 1941, the company's ninety-ninth annual report shows.

Income and Surplus Account
Years Ended Dec 31

	1942	1941
	$	$
Net earnings	41,521	46,779
Less: Dividends	39,487	39,487
Surplus for year	2,034	7,292
Earned per share	$2.63	$2.96
Paid	2.50	2.50

Liabilities to Public

	1942	1941
	$	$
Debentures & int.	1,645,934	1,606,081
Deposits	977,335	961,537
Total	2,623,269	2,567,617
Secured by:		
Liquid assets	1,074,220	802,113
Mortgages & int.	2,685,000	2,679,511
Other net assets*	436,659	550,890
Total	4,198,784	4,122,514

*Including Lambton Trust Co. stock carried at $250,000.

Toronto Mortgage

Net profit of Toronto Mortgage Co. improved to $5.08 a share in 1942. Sterling debentures outstanding declined to close to $1.4 million from over $1.5 million, while currency debentures showed a decrease of some $80,000 to $1.2 million.

Income and Surplus Account
Years ended Dec. 31

	1942	1941
	$	$
Interest, rents, etc.	283,899	283,277
Add: Sterling profit	29,304	14,543
Total income	313,199	297,820
Less: Sterling int.	48,801	58,500
Can. deb. int.	43,229	43,995
Deposit interest	2,329	2,472
Other charges	6,470	2,562
Management cost	27,667	26,994
Tfr. invest. res.	29,304	19,191
Taxes	56,700	56,000
Net profit	100,313	94,306
Less: Dividends	98,000	98,000
Surplus for year	1,993	*3,244
Add: Prev. surplus	119,399	123,743
Surplus forward	121,092	119,399
*Deficit.		
Earned per share	$5.08	$4.78
Paid	5.00	5.00

Liabilities to Public

	1942	1941
	$	$
Debentures	2,624,782	2,854,208
Deposits	126,117	151,538
Total	2,750,899	3,005,834
Secured by:		
Liquid assets	1,238,784	1,339,585
Mortgages	3,515,502	3,862,150
Other net assets	164,669	99,562
Total	5,009,065	5,301,397

Dominion Steel & Coal Corp.'s production of coal in 1942 totalled 5,541,429 tons, as against 6,095,925 tons in 1940, the last normal year since the sit down strike in 1941 slowed production. The decline in output last year is largely attributed to absenteeism and enlistments.

Montreal College Starts New Course

A course in taxation and government controls is being started Feb. 4 by Sir George Williams College, Montreal. It will consist of a lecture on Thursday evening of each week by a qualified expert on such topics as wartime price regulations, wartime wage controls, excess profits tax, corporation and personal income taxes, sales taxes, succession duties. Chairman of the course, which continues to May 13, will be P. T. R. Pugsley. A similar course last year was taken by 30 business and industrial executives.

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ANOTHER YEAR UNDER WARTIME CONDITIONS

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The Great-West Life is filling an important role in the nation's wartime economy. During the year, the Company invested over twenty-eight million dollars in Victory Loans on behalf of its policyholders—representing hundreds of thousands of premium payments. In addition, over a quarter of all male employees have entered the armed services, while others are giving their time to the many organizations essential to the war effort.

The Company's Position at the End of 1942

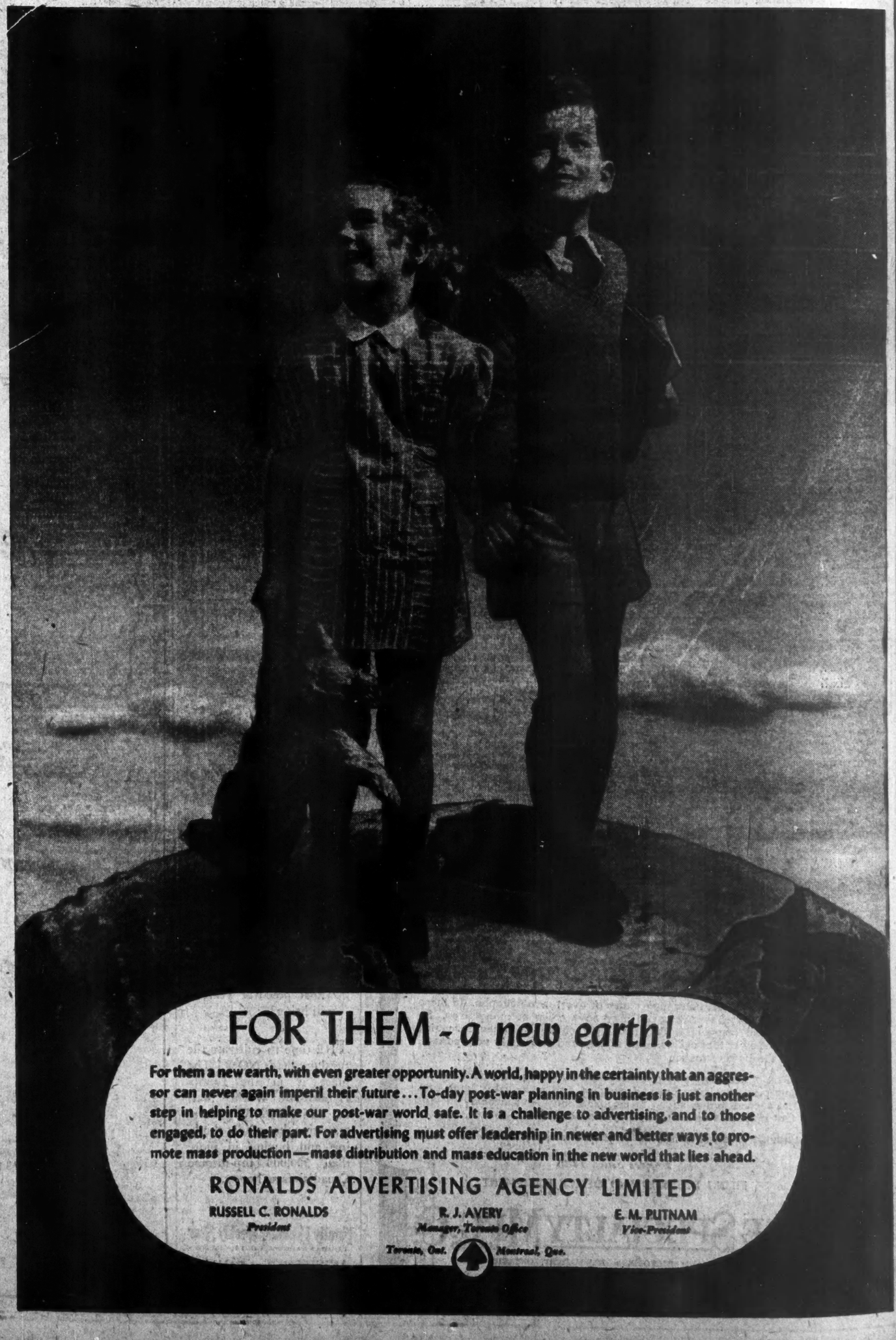
Insurances and Annuities in Force - - $698,010,493
Providing protection to policyholders and their dependents numbering more than a million.

New Business Placed - - - - - - - - 78,910,662
New protection added by men and women to provide for their future.

Payments to Policyholders & Beneficiaries 15,178,088
$5,000,000 was paid to beneficiaries of deceased policyholders — living policyholders receiving $10,000,000.

Assets - - - - - - - - - - - - - - - 189,297,807
Resources held to fulfil obligations to policyholders and their dependents.

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA



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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Those "Miscellaneous" Deductions

ARTICLE NUMBER EIGHTEEN

By MOLYNEUX L. GORDON

Most arrangements with competitors either to keep up prices or to refrain from competition are illegal in Canada. If money is expended to purchase shares and thus obtain the voting control of a competitor or to buy his plant[1] these payments are usually considered capital expenditure and non-deductible, notwithstanding the fact that the plant is closed down or scrapped after purchase.

On the other hand, payments made to induce a competitor to refrain from competition or to defray the expenses of an association whose main object is to keep up prices[2] are generally deductible.

Payments Out of Profits

The tax is charge on profits and one of the strongest principles of income tax law is that the application of profits is immaterial. It frequently happens that rentals or salaries are based on profits. The Privy Council decided[3] that the Pondicherry Railway Co., which had agreed to pay one half of its profits to the French Government, could not deduct the amount so paid but was obliged to pay tax on the whole. Lord Macmillan stated that a payment out of profits and conditional on profits being earned cannot accurately be described as a payment made to earn profits.

If the reasoning of this judgment had been literally applied, it would have caused a great deal of confusion, but in a subsequent case before the Privy Council, Lord Maugham pointed out[4] that there is always an exception to every rule and that the payment of a managing commission was deductible.

This case was followed by the Court of Appeal in an English case[5] where certain manufacturers had agreed to pay the Skoda Co. 20% of their net profits for technical advice. It may now be said with considerable accuracy that all salaries contingent on profits, all rentals based upon profits and other like payments may be deductible, but in other cases most payments out of profits are non-deductible.

As, for instance, if a doctor purchases a medical practice, paying part cash and a percentage of the profits, or if your partner dies and you agree to purchase his share either for a fixed sum or a sum based upon future profits, such sums are considered capital expenditures and are non-deductible.

Return of Moneys Spent on Improvements

Frequently business concerns agree to alter or improve rented premises, advance money to construct a siding, or make other similar payments. In most cases these payments are considered capital expenditures and non-deductible; but the question usually depends on the form of the agreement.

In 1924 a quarry company requested a railway to provide a siding and agreed to pay the cost of the same upon the understanding that they should obtain a rebate on part of the freight until the original cost had been liquidated. The court held that[6] the quarry company could only deduct as an expense the actual amount of freight paid to the railway company less the rebate.

Nine years later a brick manufacturer entered into a similar arrangement for the construction of another siding, but before executing the agreement took the precaution of considering the tax situation and a clause was added to the agreement which provided that, as soon as the rebates were sufficient to pay for the cost of construction, the brick company would transfer the siding to the railway company. The court held that[7] the moneys received by the brick company were in payment for the siding and consequently were a capital receipt and non-deductible.

These two cases are very good examples of the extraordinarily fine distinctions which are sometimes applied and the importance of considering the question of tax before signing written documents.

Settlement of Liabilities

If a taxpayer incurs a bona fide debt, he is entitled to charge off this debt against his profits. If in a subsequent year he is able to settle this debt for less than the face value, the reduction is not a profit of the business and consequently the accounts of the previous year cannot be opened up and the debt valued at the amount actually paid.

This principle would not apply when the debt was settled in the year in which it was incurred.

In 1919 the British Mexican Petroleum Co. agreed to purchase a large quantity of oil and on June 30, 1921, owed sundry creditors £1.4 million of which over £1 million was due for oil. It had also contracted to purchase four steamers from Harland Wolff & Co. In the following year these creditors agreed to reduce their claims by the sum of £945,000. In the House of Lords, Lord Thankerton stated that[8] he was unable to see how the release from a liability which has been finally dealt with in the preceding account can form a trading receipt in the year in which it is granted.

Taxes

Income tax is considered a share of the profits and consequently all taxes which are levied upon income are non-deductible. Thus, you cannot deduct from one year's income the tax paid in that year on the income of the preceding year; nor can you deduct from the Dominion tax income tax paid to a province or municipality.[9]

On the other hand, Customs duties, municipal taxes and license fees which are payable whether you make profits or not, are deductible, subject to the limitations contained in section 6 (o) which has been recently enacted. This section forbids the deduction of any provincial levies which were imposed subsequent to June 24, 1940, and in cases where such levies have been increased since that date forbids the deduction of the amount of the increase.

Under section 8 a taxpayer may in certain cases deduct from his income tax paid in Great Britain, other parts of the Empire and foreign countries. The provisions of this section are somewhat complicated and should be carefully studied.

If you purchase a property which is subject to municipal taxation you are permitted to apportion and deduct the taxes for the period during which you own the property,[10] but if you commute water rates or local improvements, this is considered a capital expenditure and is non-deductible.[11]

REFERENCES

(1) Collins v. Adamson (1938) 1 K.B. 477; (2) Grahamston Iron Co. v. Crawford (1915) 7 T.C. 35, (3) Pondicherry Railway v. Commissioner (1981) 58 Indian App. 239; (4) Indian Radio & Cable v. Commissioner (1937) 5 I.T.R. 270; (5) British Sugar Manufacturers v. Harris (1938) 2 K.B. 220; (6) Westcombe v. Hadnock Quarries (1931) 16 T.C. 137; (7) Legge v. Fiettons (1936) 23 T.C. 455; (8) British Mexican Petroleum Co. v. Jackson (1932) 16 T.C. 570; Roenisch v. the Minister (1931) Ex. C.R. 1; (10) Income Tax Case No. 73 (1926) 3 S.A.T.C. 64; (11) Income Tax Case No. 223 (1931) 6 S.A.T.C. 239.

ACCOUNT EXECUTIVE

Arthur F. Jones has joined the Toronto office of Walsh Advertising Co. as account executive. Mr. Jones was with MacLaren Advertising Co. for thirteen years as a copywriter and account executive; previously having been connected with Lord & Thomas of Canada.

United Grain Growers Ltd. has acquired a string of 64 elevators in Alberta and British Columbia from the Gillespie Grain Co. No financial details of purchase have been disclosed but transfer is to start Mar. 1 and a change of ownership is expected to be completed by Apr. 15.

The Gillespie company operates a terminal feed and cereal mill in Edmonton and a leased terminal at Victoria. Most of its country elevators are in Edmonton district but there are some in the Peace River and Dawson Creek areas.

Following the acquisition of Gillespie Grain Co., United Grain Growers will have a total of 511 elevators extending from the lake head to the Pacific coast.

Your Income Tax

In this weekly column, The Financial Post answers problems of subscribers in connection with their business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Rental Income

How much can an owner deduct or charge when he collects his own rents on property where he does not live himself?

Normally income from rents is computed on a net basis, that is, the owner may deduct such items as depreciation, mortgage interest, repairs, fire insurance, etc. It would be necessary however to list the different charges. In general such expenses as those mentioned are deductible.

Fines

I am a businessman running a small store. I was fined recently for an inadvertent breach of the law. Can I deduct the fine as a business expense from my income?

No, fines are not allowed as deductions.

U. S. Directors' Fees

I am a resident of the United States and am a director of a Canadian company. When I attend a board meeting I am supposed to be paid a fee of $40. But the company deducts income tax of $15 to $16, which I presume is income tax. Is this in accordance with usual procedure. Am I entitled to a refund?

The deduction of income tax from your directors' fees is in accordance with the policy of the income tax authorities in deducting tax on current income according to the table of income tax deductions authorized. Whether you are entitled to a refund or not depends on a number of factors and it would be advisable to take up the matter with the income tax authorities. It would be advisable to do this without delay as regards 1942 income.

Has Invalid Husband

I am a working married woman with a good position and a good salary. My husband is a semi-invalid and, while he works when he can, his earnings are usually under $600 a year. Can I claim the exemption of a married person for income tax?

Yes. You are allowed to deduct $150 from the amount of your tax payable, just as if you were a married man.

Business Expenses

In my business the following items are listed among my expenses: Fire insurance on stock and fixtures, plate glass insurance on show cases and windows, burglary and hold-up insurance, service charge on burglar alarm system, extension telephone. When preparing my income tax return, would these items be considered as deductible expenses?

Yes, in general they would appear to be deductible expenses as they are all factors in earning your income.

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A FURTHER CUT IN CAR INSURANCE RATES

Public Liability, Property Damage, and Collision Insurance on Private Passenger Automobiles Substantially Reduced in Cost, Effective January 1st, 1943

FOLLOWING their action of last April, when rates for public liability and property damage insurance to automobile owners in the low gasoline rationing categories were substantially reduced, member companies of the undersigned bodies writing automobile insurance announce a further substantial reduction in rates, effective January 1st, 1943.

The reductions apply to public liability, property damage and collision insurance rates.

This voluntary action by the companies is the result of a continuing study of conditions brought about by reduced gasoline rations and a consequent reduction in the mileage of passenger automobiles.

It is part of the programme which provided for a periodical review of rates which was instituted by these companies as soon as reduced gasoline consumption became a war measure.

It will be apparent that these member companies have lost no time in implementing their announced policy of keeping rates in line with wartime gasoline rationing; reduced travel and a presumptive decline in the accident rate. While the latter, has not, in fact, declined as markedly as conditions might have led one to anticipate, nevertheless it has declined.

Thus these member companies have decided to take into consideration in naming the new reduced rates, a lessening of the general hazard of motor traffic which may be reasonably anticipated, although not yet actually achieved.

The progressively reduced rates for automobile insurance, being based on conditions which are the result of war measures of a temporary nature, must be considered themselves a war measure and contingent upon a continuing of these conditions.

Owing to heavy reduction in staffs due to wartime manpower shortage and restricted transportation, it may be impossible for the member companies' agents to contact all their policyholders. Details of the new rates, effective January 1st, 1943, should be obtained from your insurance agent.

PUBLISHED BY THE INSURANCE COMPANIES; MEMBERS OF
CANADIAN UNDERWRITERS' ASSOCIATION
INDEPENDENT AUTOMOBILE INSURANCE CONFERENCE

Walking or Driving... Carefulness Pays Dividends

"From everything which has happened in the past we may draw encouragement for the future".
—*Churchill*

Churchill's words, seasoned with prudence, spiced with courage, apply not only to our Commonwealth's steadfast course through "this present unpleasantness" but also to our progress through the strains and stresses of the peace which is to follow it.

Already upon the horizon, now lighted by a red dawn, we see strange shapes appearing — old forces in new forms and power demanding to be adjusted to national and international life.

But we in the British Commonwealth of Nations need not be dismayed. We are fortunate in that we can draw upon deep reserves of experience in adjusting the dynamics of individual initiative to furtherance of the common weal. True we face troubled seas; but we do so in a stout ship well balanced with sound common sense and manned by men of wisdom and good will.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
THE EMPLOYERS' ASSURANCE

E. L. MARSHALL
Manager for Canada and Newfoundland.
MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER
Fire and Casualty Insurance

In Your Opinion—

What Is Parliament's Main Job?

The Question: What Are the Main Jobs Facing Parliament at Coming Session? What Would Help Achieve Desired Results?

E. R. Adair
Professor of history, McGill University, Montreal.

Winning the war is not an end in itself but only a means to an end. Therefore the most important thing is to discover how to use properly the peace that follows. The Dominion parliament cannot directly run a war but it can plan for peace by safeguarding what liberty we have. This it can do by constant investigation and control of an overpowerful, evergrowing civil and military bureauway, by preserving the education of the younger generation from unnecessary military demands, by setting up competent bodies to examine the problems of establishing peace and social and economic security, and by encouraging the general public to think by giving complete publicity to these problems and to what is being done to solve them.

• • •

Garfield Anderson
Mayor of Fort William, Ont.

1. Mobilization for total war.

2. Democratic control of industry.

3. Public ownership or where this is not feasible in wartime, at least complete government control of all war industries so that each plant becomes a unit in the national plan.

4. The elimination of present monopoly controls of industry under which workers and farmers are treated as cogs instead of partners. Canadian people must share in the direction of the war effort by adequate representation upon the appropriate war boards from labor, farmer and consumer organizations, and replacement of dollar-a-year men by national administrators paid only by the state.

Paul Bilkey
Editor, Gazette, Montreal.

If government does not submit a comprehensive war plan at the opening of the session Parliament should ask for it. There has been no such plan hitherto. It should provide for scientific distribution of manpower to meet the needs of war, industry, agriculture and overseas army, with special reference to the probable demand of heavy reinforcements this year. Parliament should recast its labor legislation, put teeth in it and prevent strikes in war industries. It should give greater attention to government expenditures whether by war departments or those administering civilian services. There is great need of this, greater I think than is realized by the average taxpayer.

• • •

Percy C. Black
Amherst, N.S., and member of parliament for Cumberland, N.S.

1. Build up the morale of the Canadian people and concentrate everything possible on winning the war.

2. Ensure that there are ample reserves for our men in the armed services.

3. Provide true selective service for farm, mine, woodlands, fisheries and war industries, to ensure essential production.

4. Watch extravagant and reckless increase in expenditures.

5. Restore its traditional supremacy and exercise a more adequate supervision and control over all orders and regulations.

6. Give consideration and second place only to waging war, to re-establishment. Those men who, like myself, were in government during the hardest years from 1929 are most determined that there will be no repetition.

7. Plan for closer trade relations with all English-speaking people and join them in provisions for controlling aggressive countries.

• • •

J. R. Burnett
Editor, Guardian, Charlottetown.

Restoration of the dominance of parliament should be the main business at the coming session.

Instead of being on vacation the greater part of the year, parliament should be in session, even if this necessitates an increase of indemnity, otherwise bureaucracy and dictatorship will run riot and lead to the spread of such a deplorable calamity as we have seen in the steel industry.

An all year round parliament would necessitate assistant ministers, in order that the business of parliament as well as of the various departments might be adequately taken care of. The government could provide for these in its estimates.

W. R. Clarke
Acting editor, Leader-Post, Regina, Sask.

Chief jobs at the coming session of parliament, the solution of which would help achieve the maximum war effort while maintaining home morale, are:

1. A thoroughly constructive discussion of the war organization with a view to increasing flexibility especially as to production, to make possible quick adjustment to changing requirements and perhaps quick conversion to postwar needs.

2. An overhaul of the whole setup of labor legislation and methods of dealing with labor troubles.

3. A critical examination of manpower situation with a view to easing shortages where they are already palpably evident.

4. Adoption of the Ruml tax plan as a step toward simplification of the Canadian tax structure.

• • •

Brooke Claxton
Montreal, and member of House of Commons for St. Lawrence-St. George.

At this session Parliament should particularly deal with:

1. Manpower organization.
2. Labor policy.
3. Production and fair distribution of food.
4. Prevention of waste of manpower and money in services and industry.
5. Simplification of tax laws and procedure.
6. Means for increasing efficiency and responsibility of government and parliament.
7. Reconstruction (rehabilitation, education, employment, social insurance, labor standards, development of resources, constitutional arrangements with provinces, organization of industry and agriculture).
8. Relations with other countries —conduct of war and plans for peace.

To help in this we need:

A. General recognition of Canada's achievements, a sense of national purpose, the feeling that Canada is going places, a burning enthusiasm for Canada.

B. Informed and lively public opinion.

C. Constructive help from the opposition and press—less carping criticism.

D. A more lively parliament.

E. Revision of parliamentary procedure to permit concentration of discussion on subjects such as above. This is practically impossible under present rules.

F. Smaller war committee of ministers with top level economic and military advisers, all substantially free of departmental duties.

G. Separate ministers of reconstruction and information (films, broadcasts, arts, educational services, research, voluntary war services, etc.) and possibly also of external affairs, because the rapidly extending field of Canada's external relations puts an undue burden on the prime minister when his other responsibilities are heavier than ever before.

• • •

Gordon K. Frazer
Lakefield, Ont. and member of House of Commons for Peterborough West.

There are many main jobs facing parliament at the coming session, but in order to keep up the morale and health of our people the production of food I believe is one of the most important. Numerous farms will not be in production this year owing to lack of skilled farm help. I suggest that farms be put on a munition basis. I also suggest a survey be made of all farms to see which ones can be tractor plowed and seeded. Skilled farms corps should be formed in each district to plow, disc and seed these farms on a custom basis at below cost. These tractor corps should operate 24 hours per day. Women's land army of uniformed corps should be formed and capable farmers working on poor land should be moved to good land to produce.

• • •

F. I. Ker
Editor, Spectator, Hamilton.

The biggest job before Parliament is to restore public respect for its authority which is at a very low ebb because of the government's repeated unwillingness to withstand the challenge of racketeering labor leaders and to curb the law evasions of other truculent minorities. Having necessarily delegated much of its power to government by order in council, Parliament must insist that wartime measures taken in its name and under its authority shall be courageously enforced to meet the conditions which made them necessary with scant regard for political consequences or academic sophistries.

• • •

C. O. Knowles
Editor, Evening Telegram, Toronto.

So long as the war lasts the main job confronting Parliament will be the winning of it. Time and again in the last three years the vacillating Mackenzie King ministry has been pushed into action by the opposition in Parliament and the press, and this pressure cannot be relaxed for a moment.

One of the main jobs confronting the House of Commons is re-asserting its supremacy over the ministry, and the boards and bureaucrats who are running wild with a lot of orders that have no connection with promoting victory.

It would be well if strikes were outlawed for the duration of the war.

President Roosevelt showed leadership in putting an end to the wildcat coal miners strike, and as Mackenzie King has not emulated the president, Parliament itself ought to display the requisite courage.

The maintenance of food production is a matter to which Parliament ought to devote a lot of attention. Shortages of beef and dairy products in an agricultural country like Canada are a disgrace and an evidence of ineptitude on the part of the minister of agriculture. Parliament should insist that the farmer be given fair prices and an assurance of an adequate labor supply.

• • •

F. Letarte
President La Corporation de Prets de Quebec, and director of a number of other corporations, Quebec City.

1. Assure Canada and her allies an increase in farm production; adopt a new legislation to maintain farmers on their farms and bring farm help back there, and assure them of a revenue more proportionate to that of other working classes.

2. To prevent strikes and intensify production, make uniform wages effective in war industries throughout the Dominion, prohibit strikes for the duration and favor national labor unions.

3. Keep high schools open in order to have technicians during and after the war.

4. Introduce the Ruml plan and give Canadians certificates for the compulsory savings part of their income tax, such certificates bearing a date of maturity.

5. Check bureaucracy, co-ordinate services to assure efficiency and economy; reduce ordinary expenditures and control more closely war expenditures.

• • •

M. E. Nichols
Editor, Province, Vancouver, B.C.

Disorderly distribution of manpower is the problem requiring parliament's first attention. It is necessary to provide the maximum military effort and concurrent distribution of labor to take care of production essential to orderly civil life which is now dangerously disorganized. Military effort should be examined to ascertain if we have adequate reinforcements available for two corps overseas army when it goes into action.

The government should be required to accept responsibility for maintaining adequate supplies of fuel and other vital services which are beyond the control of local or other authority having no voice in distribution of manpower. It is important to find means of establishing better relations with labor especially, to ensure uninterrupted operation of war industries.

• • •

W. F. Nickle, K.C.
Kingston, Ont., and a former Ontario attorney-general.

1. To convince the Canadian people and our Allies that the life of Canada is being co-ordinated without fear or favor to secure a maximum war effort.

2. To convince those who through this attainment of such an effort have had their life plans unduly disturbed, that when peace comes the nation will, by providing facilities for education, monetary assistance and otherwise strive to minimize the unhappy results of their lost opportunities.

3. To design a plan, governments, capital and labor co-operating, which will avoid the possible tragedies to demobilization and depression.

4. To modernize income tax payments.

• • •

William Noakes
Editor, Sun, Brandon, Man.

It seems to me the main task facing parliament is the manpower problem that involves most of the difficulties ahead. Definite stands and decisions are needed on this.

In reference to conscription for war service overseas, release many hundreds of draftees from training camps where they waste time on lesser notions of defense. Drastic compulsory measures are needed for civilian labor for war plants and essential services in Canada.

Some vital recommendations of Sirois report should be implemented to assure the federal government of power under constitution to make real attempts to solve the problems that will arise after the end of fighting the war.

• • •

Hon. Earle Rowe
Member of the House of Commons for Dufferin-Simcoe, Ont. and president Great Lakes Paper Co.

Among the many problems facing Parliament at the approaching session are manpower and the delegation of Parliamentary responsibility to Boards and Commissions.

To achieve the desired results, consideration should be given to the following course of action:

1. Manpower for military, agriculture and industry should be allocated under the centralized authority of Selective Service.

2. Powers delegated by Parliament to Boards and Commissions should be carefully reviewed with the object of restoring and maintaining Parliamentary responsibility.

• • •

Hugh Templin
Editor, News-Record, Fergus, Ont.

It would appear obvious that the important job facing Parliament is still the winning of the war.

Second, would be preparation for the peace which seems to be approaching. Speaking for rural Ontario the chief problem now is lack of power. Farmers and townspeople are now overworked, many have reached their limit and hope that the new legislation for regulations will give relief rather than add to the burden.

For projects after the war rural Canada offers conservation and reforestation on a wide scale similar to work already in progress on Grand River. Preliminary legislation is needed to prepare for these projects.

• • •

A. T. Whitaker
Editor, Expositor, Brantford, Ont.

1. The replacement of bureaucratic authority by that of parliament.

2. Postwar planning, including the de-limitation of responsibility and participation between the federal, provincial and municipal governments.

3. Insistence upon cabinet responsibility for departmental rulings in place of references to bureaucrats who will not respond to letters or appeals and conduct themselves as "high-hat" super-authorities against whom the public has no protection.

A parliament whose members will respond to the occasion would soon relegate these usurpers of democratic functions to the oblivion they deserve.

111th Annual Statement

The Bank of Nova Scotia

Capital Paid Up	Reserve Fund
$12,000,000	$24,000,000

PROFIT AND LOSS

Balance December 31st, 1941		$ 1,266,493.24
Net profits for the year ending December 31st, 1942, after Dominion taxes $1,357,773.16 (of which $70,076.14 is refundable under the provisions of the Excess Profits Tax Act) and after making appropriations to Contingent Accounts out of which accounts full provision for Bad and Doubtful Debts has been made		1,860,262.38
		$ 3,126,755.62
Quarterly Dividends, Nos. 289, 290, 291, 292		$ 1,380,000.00
Contribution to Officers' Pension Fund		210,000.00
Written off Bank Premises		250,000.00
Balance carried forward December 31st, 1942		1,286,755.62
		$ 3,126,755.62

General Statement as at December 31st, 1942

LIABILITIES

Capital paid up	$ 12,000,000.00	
Reserve fund	24,000,000.00	
Dividends declared and unpaid	302,106.45	
Balance of profits, as per profit and loss account	1,286,755.62	
		$ 37,588,862.07
Notes in circulation	$ 5,033,216.45	
Deposits by and balances due to Dominion Government	$ 25,522,326.01	
Deposits by and balances due to provincial governments	1,068,520.61	
Deposits by the public not bearing interest	130,587,563.90	
Deposits by the public bearing interest, including interest accrued to date of statement	180,413,570.06	
	337,591,980.58	
	$342,625,197.03	
Deposits by and balances due to other chartered banks in Canada	3,949,337.35	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	4,060,234.40	
		$350,634,768.78
Acceptances and letters of credit outstanding		21,244,614.62
Liabilities to the public not included under the foregoing heads		998,809.53
		$410,467,055.00

ASSETS

Gold held in Canada	$ 9.79	
Subsidiary coin held in Canada	413,981.59	
Gold held elsewhere	144.55	
Subsidiary coin held elsewhere	751,121.68	
Notes of Bank of Canada	10,399,029.25	
Deposits with Bank of Canada	22,160,494.04	
Notes of other chartered banks	90,071.20	
Government and bank notes other than Canadian	10,668,785.43	
		$ 44,483,637.53
Cheques on other banks		15,775,203.83
Due by banks and banking correspondents elsewhere than in Canada		28,843,881.66
		$ 89,102,723.02
Dominion and provincial government direct and guaranteed securities, maturing within two years, not exceeding market value		76,035,762.45
Other Dominion and provincial government direct and guaranteed securities not exceeding market value		61,216,094.28
Canadian municipal securities, not exceeding market value		9,095,690.60
Public securities other than Canadian, not exceeding market value		3,691,794.40
Other bonds, debentures and stocks, not exceeding market value		10,482,058.64
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		3,198,600.37
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		1,340,236.00
		$254,162,959.76
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$110,120,660.55	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	14,738,599.11	
Loans to provincial governments	231,956.39	
Loans to cities, towns, municipalities and school districts	1,352,930.13	
Non-current loans, estimated loss provided for	333,301.21	
		$126,777,447.39
Liabilities of customers under acceptances and letters of credit as per contra		21,244,614.62
Mortgages on real estate sold by the bank		80,130.81
Bank premises, at not more than cost, less amounts written off		5,607,060.44
Deposit with the Minister of Finance for the security of note circulation		343,414.61
Shares of and loans to controlled companies		2,050,000.00
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government Taxes)		201,427.37
		$410,467,055.00

J. A. McLEOD, President — H. D. BURNS, General Manager

Auditors' Report to the Shareholders of The Bank of Nova Scotia:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1942, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were confirmed by us at the close of business on December 31st, 1942. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
G. T. CLARKSON, F.C.A., of Clarkson, Gordon, Dilworth & Nash } Auditors

TORONTO, CANADA, 18th January, 1943.

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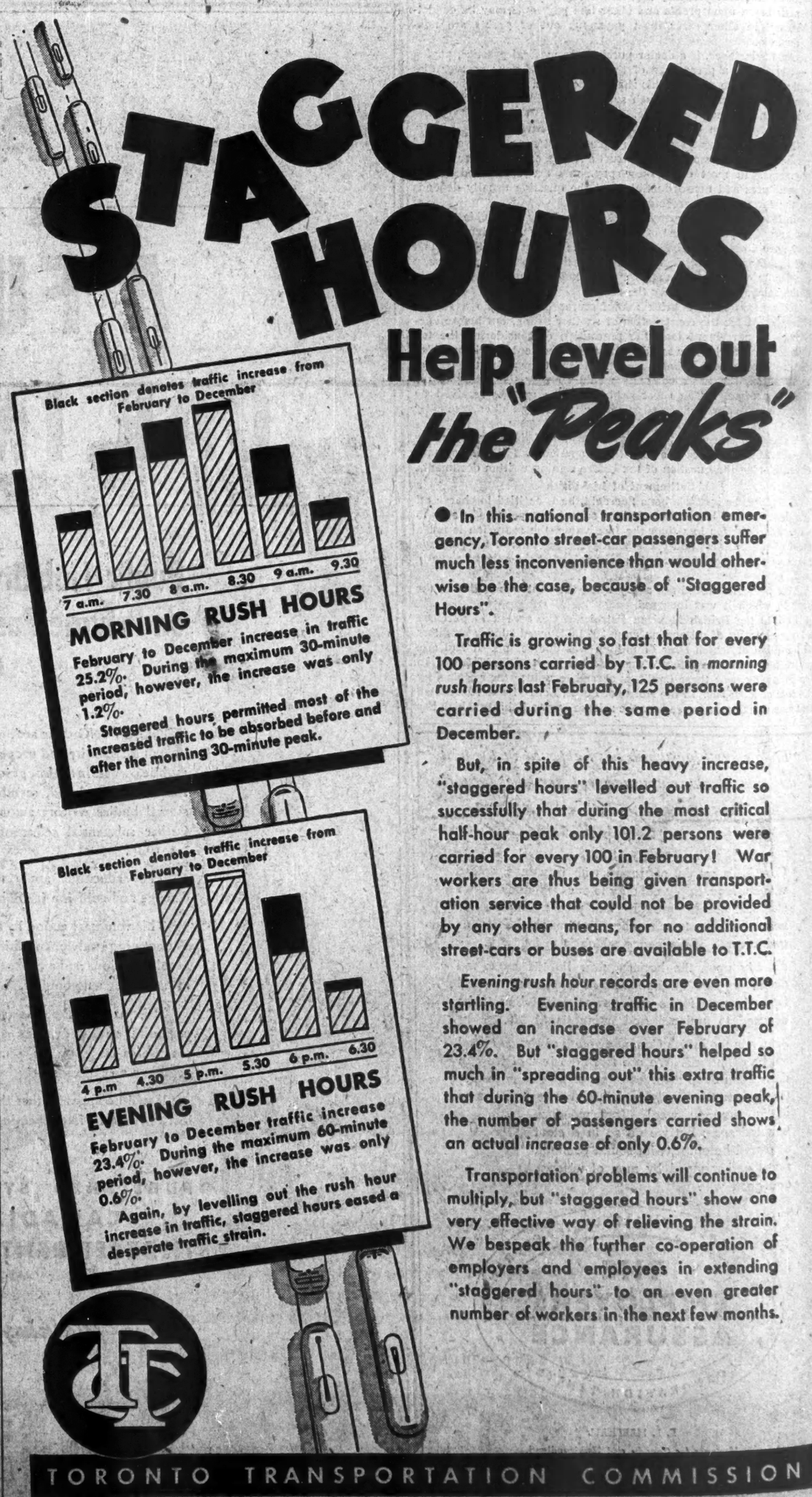
STAGGERED HOURS
Help level out the "Peaks"
Black section denotes traffic increase from February to December
7 a.m. 7.30 8 a.m. 8.30 9 a.m. 9.30
MORNING RUSH HOURS
February to December increase in traffic 25.2%. During the maximum 30-minute period, however, the increase was only 1.2%.
Staggered hours permitted most of the increased traffic to be absorbed before and after the morning 30-minute peak.
Black section denotes traffic increase from February to December
4 p.m 4.30 5 p.m. 5.30 6 p.m. 6.30
EVENING RUSH HOURS
February to December traffic increase 23.4%. During the maximum 60-minute period, however, the increase was only 0.6%.
Again, by levelling out the rush hour increase in traffic, staggered hours eased a desperate traffic strain.
● In this national transportation emergency, Toronto street-car passengers suffer much less inconvenience than would otherwise be the case, because of "Staggered Hours".
Traffic is growing so fast that for every 100 persons carried by T.T.C. in morning rush hours last February, 125 persons were carried during the same period in December.
But, in spite of this heavy increase, "staggered hours" levelled out traffic so successfully that during the most critical half-hour peak only 101.2 persons were carried for every 100 in February! War workers are thus being given transportation service that could not be provided by any other means, for no additional street-cars or buses are available to T.T.C.
Evening rush hour records are even more startling. Evening traffic in December showed an increase over February of 23.4%. But "staggered hours" helped so much in "spreading out" this extra traffic that during the 60-minute evening peak, the number of passengers carried shows an actual increase of only 0.6%.
Transportation problems will continue to multiply, but "staggered hours" show one very effective way of relieving the strain. We bespeak the further co-operation of employers and employees in extending "staggered hours" to an even greater number of workers in the next few months.
TORONTO TRANSPORTATION COMMISSION

THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, January 30, 1943

The Changing Pattern of War Production

Shifting tides of combat and the opening of new fronts underline the importance of some weapons, make others less essential. We have reached some armament goals, and can expect progressive revision of our targets.

By ERIC CRAWFORD

With the shift from defensive to offensive, substantial changes have had to be made in the pattern of Canada's war production. For example, the current emphasis is of necessity on shipping, on corvettes and other craft to protect the sea lanes. Logically, other war products, such as shells, have been soft-pedaled. Here Eric Crawford, Editor of Canadian Machinery, outlines some of these changes and their implications for Canadian management.

While lumbering operations are starved for help, and gun makers express concern over new candidates for their machine shop training classes, another plant with a gun contract lays off 30 men, an arsenal reduces its staff by 10%, explosives and filling plants lay off hundreds, and both employees and outsiders wonder if war equipment is as badly needed as they have been told.

The Canadian war production picture changes every day, but each day brings a little gain, and sees some part of it crystallized, for a while at least. Some of our goals have been reached and some passed. Many weapons and vehicles have been produced in such quantities that now we have enough of them to fill present needs and those of the apparent future.

The sum total of Canadian and American production has reached such proportions that shipping facilities cannot keep up with it, and stocks of all but the most urgently needed materials are piling up at warehouses and railroad sidings all along the line.

New Phase Develops

A new phase of management has entered into the picture; management of the overall war production machine; rearranging production schedules so that the most needed items get the preference in materials and manpower, without shutting down all the other plants which have been brought into production with such difficulty.

For the last 2½ years, goods have been flowing out the shipping door—"The door where Victory begins"—of our hundreds of plants, some of which were open spaces eighteen months ago. Hard to realize that some of them have finished the work they started out to do, that they have turned out equipment faster than it could be delivered overseas, or that there isn't space left to store it.

There is still need for all that every hand can do, but the need is changing.

One reason the need is changing is the obvious one that we have shifted from defensive to offensive. Some items have been outmoded by the changing nature of combat operations and are no longer necessary.

Different Weapons

Fighting in the desert requires different weapons, both of offense and defense, than in the mountains. It was not possible, of course, to make all the weapons we needed at once at the beginning of the war; that was the keystone in Schickelgruber's plan. The need for some defense weapons was so pressing in the earlier days that several sources had to be tapped at once to get enough at the earliest possible date, and to provide against possible failures of these untried sources.

There was no time to design new weapons; existing designs were put into production at once. Some of these have proved amply capable, some have been discarded as inadequate.

Many of our first line guns, planes, tanks, have been forced into secondary positions because time had permitted, or the enemy had forced, the designing or bringing into production of newer, more powerful ones.

Britain Speeds Up

In certain cases eighteen months or more of freedom of British factories from bombing has allowed production to resume or pass its earlier rates, and the need for alternative sources in Canada or other places far removed from the battle zones is less pressing. This very change in needs is taken advantage of, because there is a ceiling on our capacity for producing certain basic goods.

Steel is an example; it goes into virtually all of our armament and munitions output, particularly shell. When it comes to a choice between shell and ships, the shipbuilding programme wins, because we are short of shipping and we have too much shell. Until guns get to the battle zone, there is no use for ammunition, and until the ships are available, even the gun can be of no use.

Even in shipbuilding it is more important to provide fighting escort than cargo ships; there is no gain in building cargo ships faster than the enemy can sink them, because every sinking loses not only the ship, but precious cargo which takes a long time to replace, and which cuts further into our supply of critical materials. So in these days of the submarine pack, protection of shipping is of first importance.

When it comes to a choice between shells and ships, in the shifting pattern of our war production, the shipbuilding programme now gets first priority because our big problem is not to make weapons, but to bring them to bear on the enemy. With new fronts being opened, construction of fast, tough escort vessels, like this Canadian corvette, is of prime importance.

Shells vs. Ships

So when shell output must be curtailed, shell-filling is also reduced; less explosive is needed, cartridge case and primer production suffers, but more brass is released for other purposes.

Increased efficiency of plants since they went into operation has released many employees; not to be returned to the ranks of the unemployed, but to move to other jobs. The sum total of labor requirements does not shrink on this redistribution, because aircraft and ships are still needed in "green light" quantities.

When output catches up on these items, another shift will take place, back to the products which are now being cut down. This, of course, does not make the movement of labor any easier or more desirable, and it is the duty of Selective Service.

A review of Canada's war production picture at the present time and its progress divides itself into

(1.) equipment Canada is producing in decreasing quantity,

(2). What we are producing at a rate which may continue for the duration, and

(3). the relatively smaller proportion of the programme which is still growing in volume.

The Decreases

Enough has been said above of the first proof to indicate the general nature of its members. Not only shell and the smaller, lighter types of artillery, but motor vehicles, with all-steel bodies, which might properly be replaced by wooden-bodied vehicles. This would be a measure to save important amounts of steel. Of course in the motor vehicle group there is also a number of new designs which may be adapted and go into production.

These vehicles belong in the second class, along with the more modern guns, such as the six-pounder, the 4 in. naval, the 3.7 anti-aircraft, machine guns and rifles, and cargo vessels.

The Increases

In the third group are such items as two types of automatic small guns, the four new types of aircraft, the Lancaster, Mosquito, Catalina and Curtiss Dive Bomber; the newest design of tanks, the Tribal class destroyers, and the ship repair programme. Also perhaps at the top of this list are the corvettes and mine sweepers.

Increased efficiency, achieved by good management and intensive study, have brought about reductions in necessary staff in many plants for equivalent output, a reduction in the need of machine tools, with a consequent slacking of the pressure upon that industry, and substitutions of materials which have reduced costs and relieved the strain on some critical commodities.

The Net Result

What will Canada have out of her war effort after the War? How much of present capacity which has been achieved as a result of the war will be of use afterwards?

Anything, of course, in answer to these questions must be a guess. There will be physical assets—large, well-built plants complete with heating systems, time clocks, bookkeeping machines and electrical plant. There will certainly, in the case of a gun plant, for instance, not be the need for guns on the scale of present activities.

A large proportion of the buildings, equipment and machines will technically belong to the government—Dominion or United Kingdom. There will be use for little of it back in government—the arsenals being already equipped for full-scale operation. The promise has been made that it will not be given away, but if it comes on the open market it is easy to see that the buyer able to make the most favorable offer for, say, a machine tool of general application, such as a milling machine, will be the manufacturer who does not need to add to his bid the cost of dismantling, new foundations, electrical conduit and wiring. In other words, it will tend to stay where it is.

Job for Management

Management will be confronted with the job of finding new products to make—new markets to sell them in. If they propose to produce engineering products,

(Continued on page 33)

"YOU BET WE'RE PROUD WE'RE PRODUCING FOR VICTORY.."
HERE AT CANADIAN GENERAL ELECTRIC"

G-E PRODUCTS INCLUDE:

Aircraft Instruments • Anti-aircraft Gun Mounts • Anti-aircraft Searchlights • Carboloy Tools and Dies • Electric Furnaces • Electric Welding Equipment • Engines for Cargo Boats • Generators • Gun Turrets for Bombers • Lighting Equipment • Meters and Controls • Capacitors • Panelboards • Plastics • Radio Equipment • Secret War Devices • Transformers • Special Lamps for Navy, Army and Air Force.

A vast stream of war material — guns, marine engines, airplane equipment, tank parts and electrical apparatus for war industry—is flowing from C.G.E. workshops.

The men and women who build these urgently required war supplies are privileged to shoulder many of today's most challenging and exacting war production tasks.

Their special facilities and skills are proving invaluable in the making of precision equipment, large and small, for all the armed services.

They are proud of the part they are playing in backing up the fighting men of our Navy, Army and Air Force who are carrying us forward on a great tide to Victory!

Competent and confident, smiling June Moore helps make delicate aircraft instruments for fighting planes and bombers. She has a brother with the R.C.A.F., training to become a pilot for the planes she's helping to equip.

GIANT BOMBERS need scores of precision instruments. The special experience and skill of workers in "Canada's greatest electrical workshop" are being pressed into service to manufacture aircraft instruments and other important flying equipment for these mighty planes.

WITH KEEN EYES and nimble fingers, June Moore operates a calibrating machine which determines the accuracy of sensitive aircraft instruments.

CANADIAN GENERAL ELECTRIC CO., LIMITED
HEAD OFFICE: TORONTO

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

STOCKS TRADED THIS WEEK

WEEK ENDING JANUARY 25

Range 1942-43 High	Low	Div. Jan. 23 Rate	Y'ld %	Company	Sales	Last Jan. 15	Week end. Jan. 25 H	L	C'l'se
A									
1.00	.40			Abitibi	2300	1.00	1.00	.70	.90
7	3½			Do. pref. 5%	945	6½	6½	6	6
28	12			Do. pref. 7%	10	14½	13½	13½	13½
4	3			Acme Glove, c.	5	4	4	4	4
31	2			Alta. Pac. Gr.	1438	31	32	31	31
86	21½			Do. pref.	1792	60	65	62	65
94	74			Algoma Steel, c	595	9	91	82	91
121½	80	9+2	8.6	Aluminium, c.	3100	114½	121½	113	121½
42	40	2.75	6.5	Ang. Can. Tel p	10	42	42	42	42
25½	10	1.40	5.7	Asbestos	340	25	25	24½	24½
161	134½	1.35	8	Assoc. Brew., c.	120	15	15½	15	15½
B									
130	115	6	4.9	Bk. Can. Nat.	19	128	130	128	130
189	124½	6	4	Bk. Montreal	31	131	131	130	130
278	213	10	4.6	Bk. N. Scotia	3	226	227	227	227
238	200	10	4.1	Bk. Toronto	9	240	240	238	235
143	106½	4+.50	10	Bathurst Pr. N	945	143	142	14	14
16½	6½	.35		Beatty Bros.	70	16	16½	16	16½
110½	76	7	6.3	Do. 2nd pref.	30	110½	110½	110½	110½
93	90			Beauharnois	170	93	93	93	93
105	100			Beaver Lumb p	20	105	106	106	106
81	80	4+2	7.5	Belding Cort. c	60	80	80	80	80
150½	122	8	5.4	Bell Telephone	273	147½	148	146	146½
71	5	.60	8.5	Biltmore Hats	105	7	7	7	7
42	32			Blue Ribbon	350	44	42	41	42
224	22	2.50	9.1	Do. pref.	60	21	21	20½	20½
25	20½	1.20	5.2	Brant. Cord. pf	230	25	25	23	25
16½	6	1	6.2	Brazilian Tr.	3306	16½	16½	16	16½
51	32	.50+.10	12	Brew & Distil	20	5½	5½	5	5
19½	13	1	8.3	Brit. Amer. Oil	3050	19½	19½	19	19½
18½	13	.75		B. C. Packers	70	18½	18½	18	18½
22½	17	2	8.7	B. C. Power A.	215	23½	23½	23	23½
2	2			Do. (B)	705	2	2	2	2
4	4	.40	7.3	Bruck S. Mills	230	4	4	7	7½
15½	11	.70+.10	5.3	Building Prod	790	15½	15½	15	15
15½	11	.70+.10	5.3	Building Prod	100	9½	9½	9½	9½
C									
10	8½	.80	8	Caldwell L 2 pf	10	10	10	10	10
3½	1½			Canada Bread c	260	2	3½	3	3½
6½	5	.40	6.7	Canada Bud	120	6½	6	6	6
51	34½			Canada Cement	2048	42	43	42	42
100	90	6.50	7.2	Do. pref.	110	90	90	90	90
106	103	8	4.7	Canada Cycle, p	233	105	105½	105	105½
20½	12	1.15		C. & D. Bushr.	735	18½	18½	18½	18½
60	50			Can. Iron, c	3	60	55	55	55
38	32	2+.50	6½	Can. Malting	75	36½	38	38	38
7½	4	.60	8.2	Can. Nor. Pr.	70	7½	7½	7½	7½
90	73½	7	8	Do. pref.	25	90	87	86	87
87	74½	4	4.9	Can. Packers	75	81	81½	81	81½
130	110½	8	6.4	Can. Perman.	50	128	128	125	128
9½	5			Can. Steamsh's	4850	9½	9½	9½	9½
32½	25½	2.50	7.8	Do. pref.	1515	31½	32½	31½	32½
8	4½	.40+.10	6½	Can. Vinegars	110	8	7½	7	7
67	48½	4	6.5	Can. W. Cable	19	61	62	61½	61½
24½	14	2	9.3	Do. (B)	60	21	22	20	21½
106½	104½	6.50	6	Do. pref.	3	107½	107½	107½	107½
2.50	.80			Can. Bakeries	60	2.50	2.50	2.50	2.50
89	48½			Do. pref.	45	69	69	67	69
154	115	6	4.6	Can. Bk. Com.	153	131	132	130	132
1.70	1.00			Can. Breweries	2290	1.65	1.70	1.60	1.65
31	25½	3.40	11.6	Do. pref.	525	29½	29½	29	29½
33	27½	1.50+.50	6	Can. Bronze, c	190	33	33	33	33
72	41	.50	5.7	Can. Canners	427	7	7	7	7½
11	6	.60+.30	8	Do. 2nd pfd.	170	10½	10½	10½	10½
91	48			Can. Car & Fy	1295	81	9	81	81
29	21½	1.75	6	Do. pref.	335	28½	28½	28½	28½
30½	21½	1+1	6.6	Can. Celanese	895	30	30½	28½	30
39	11½	7+1.15	6	Do. pref.	30	13½	13½	13½	13½
19½	15	3	10.1	Can. Convert.	36	19½	19½	18½	18½
16½	9			Can. Dredge	90	16½	16½	16	16
28½	13	2	7.7	Can. For. Inv.	30	13½	13½	13½	13½
5	3	.35		Can. Ind. Alc.	855	4½	4½	4½	4½
167	127½	5.75		Can. Indust. B.	75	149	156	150	153
175	152	7	4.3	Do. pref.	5	164	162	162	162
12½	6½			Can. Locomo.	190	11½	12½	12	12½
2.15	.45	.04		Can. Marconi	1555	1.10	1.15	1.05	1.10
15	10	1+.20	8	Can. Oil	15	14½	15	15	15
132	105	8	6.9	Do. pref.	10	56	65	65	65
61	5			Can. Pacific	13466	8½	9½	8½	9½
.90	.07			C. P. Pa Fin p	100	.07	.50	.30	.50
44	2			Can. Vickers	205	4½	4½	4½	4½
33	20			Do. pref.	110	33	33	30	33
12	8	1		C. Wallpaper B	10	13	11	11	11
30	17½	1.50+.50	8	C. Wire Box	30	19½	19	19	19
86	79½	4	5	Chart. Trust	25	95	79½	79½	79½
31	15			Ch. Gai Wines	10	14	24	24	24
.50	.05			Chem. Research	500	.17	.17	.17	.17
1.83	1.05	.12		Coast Brew.	500	1.15	1.12	1.12	1.12
61	51	.50		Cockshutt Plow	850	9½	9½	9½	9½
61	6	.25		Coll. Term.	5	6	6	6	6
61	6	.25		Do. pref.	175	6	6	6	6
2.87	1.90	.15		Com. Alcohol c	530	2.87	2.87	2.75	2.75
61	58	.40		Do. pref.	65	61	61	61	61
10½	8½	.60	5.6	Cons. Bakeries	258	10½	10½	10½	10½
24	14			Cons. Paper	7642	30	31	3	31
41½	32	3.50		Cons. Sand, pf.	50	80	78	78	78
41½	32	1+1.50	6.3	Cons. Smelt.	2587	39½	41½	39½	41½
132	100	8	6.3	Consumers' Gas	85	124	128	126	127
23	18	1.20+.15	6	Cosmos Imp.	47	23	23	22½	22
37½	10			Cres. Cream. p.	2	37½	37	37	37
25	20	2	8	Crown Cork	25	25	24½	24½	24½
.85	.35			Cub Aircraft	650	.80	.85	.80	.80
D, E									
1.15	1.00			Disher Steel, c.	40	1.05	1.00	1.00	1.00
29	21	2.22	7.6	Distill-Seagram	1283	29	29½	27½	29
97½	90	5	5.1	Do. pref.	100	95½	97½	97½	97½
191	135	8	5.4	Dom. Bank	5	145	149	149	149
27	20	1.20	4.5	Dom. Bridge	270	26½	28½	26½	26½
15½	9½			Dom. Coal. pf.	725	12½	12½	11½	11½
97½	89½	7	7.8	Dom. Envel. p.	10	89½	89½	89½	89½
25	17			Dom. Engineer.	25	25	24	24	24
81	81	.20		Dom. Fabrics	20	81	81	81	81
23	22	1.50	6.5	Do. 2nd pref.	40	23	23	23	23
23½	16½	1+.25	5.7	Dom. Found. c.	138	22½	23	21½	21½
122	119		6	Dom. Glass, c.	18	122	120	120	120
36	29	1.30+.40	6	Dom. Oilcloth	335	35½	36	35½	36
91	51			Dom. St. & C.B.	3339	91	91	9	91
7	3½	.20		Dom. Stores	980	6½	7	6½	6½
7½	3			Dom. Tar & C c	1200	7½	7½	7	7½
93	83	5.50	6	Do. pref.	50	90½	92	90½	90½
82½	66	5	6.4	Dom. Textile, c	139	77½	80	76	80
5.00	.60			Dom. Woollens	2765	2.50	5.00	2.75	5.00
10	6½	.60	8.3	Do. pref.	1010	9½	10	9½	10
5	2			Donnacona P.	500	4½	4½	4	4½
6½	3½			Dryden Paper	500	6½	6½	6	6
16½	6½			East Dairies pf	225	16½	15½	15½	15½

Range 1942-43 High	Low	Div. Jan. 23 Rate	Y'ld %	Company	Sales	Last Jan. 15	Week end. Jan. 25 H	L	C'l'se
4	2½			Easy Washing	200	4	4	4	4
35	33	2		Economic Inv.	20	35	32	33	33
6	2½			Electrolux	10	5½	5½	5½	5½
3½	2½			Enam. & Heat.	75	3	3½	3½	3½
29	18	1.50	9.6	English Electric	20	24½	24½	24	24½
51	41	.15		Equitable Life	1	51	41	41	41
F, G									
3½	1½	.25		Fairchild Air	800	3½	3½	3	3
22½	15	1.50+.25	6	Fanny Farmer	170	23½	23½	22	22
54½	33½	6		Fed. Grain, pf.	10	54	54½	54½	54½
44	2½			Fleet Aircraft	465	4½	4½	4	4½
21	14½	1	4.7	Ford Motor A.	2073	20½	21	20½	20½
20½	14½	1	4.8	Do. (B)	125	20	20½	20½	20½
16½	12	61.20+.50		Foundation Co	250	15½	16½	14½	14½
14	7			Fraser Cos.	2	14	13½	13½	13½
14½	7½			Do. Vot. Tr.	1230	14½	14½	13½	14
84	41	.60	7.5	Gatineau Pwr.	155	8½	8½	8½	8½
83	61½	5	6.1	Do. pref.	75	80	83	80	83
10	5	.50	6.3	Gen. Fr. Wares	595	6½	6½	6½	6½
97	92	7+.52½	8	Do. pref.	60	97	95½	95½	95½
77	68	5+2.50		Goodyear Tire	77	68	71	71	71
53	38	2.50	4.7	Do. pref.	210	53	53	53½	53½
4	1			Gt. L. Pa V tr c	315	3½	3½	3½	3½
16½	11	1.50		Do. Vot. tr. p	225	15½	16	15½	15½
51	3			Gurd, Chas, c.	5	4½	4½	4½	4½
54	23			Gypsum, Lime	905	5½	5½	5	5
H, I									
32	2			Ham. Bridge	1000	3½	3½	4½	5
35	32	2	6	Ham. Cot., pf.	25	32	33	33	33
34	31½			Harding Carpet	130	31	31	2	3
23½	16	2	8.6	Honey Dew	600	23	23½	23	23
14	8			H. Smith Pap.	240	13½	13½	13	13
100	92½	6	6	Do. pref.	100	99½	100	99	100
9½	2	.30		Humberstone S.	70	8½	9	8	8
9½	6			Hunts (A)	5	8½	8	8	8
8½	6			Do. (B)	25	8½	8	8	8
1.50	.50			Hydro Electric	130	1.50	1.50	1.00	1.00
206	145	8	5.1	Imperial Bank	33	156	158	157	158
12½	7½	.50	4	Imperial Oil	4676	12½	12½	12½	12½
13½	9½	.40+.17½	5	Imperial Tob.	1127	12½	13½	12	12½
73½	61½	6%		Do. pref.	1700	71	71	71	71
14	6½	.25		Indust. Accept.	100	13½	14	14	14
20	15½	.50		Int. Bronze, pf.	100	22½	22½	22½	22½
11	5			Int. Metal Ind.	170	10½	10½	10½	10½
99	85	6	6.5	Do. pref.	40	90	92	91	91
92	82	6	6.5	Do. pref. A	20	90	92	92	92
11½	11½	5	4.4	Int. Mill., pf.	10	11½	11½	11½	11½
36½	20	3	8.5	Int. Nickel	7855	34½	36½	33	36½
2.50	1.05			Int. Paints, c	75	2.25	2.50	2.00	2.50
18½	11	1	8.6	Int. Pete.	3830	17½	18½	17½	18½
6½	3			Int. Power	5	6½	6½	6½	6½
100	85	7+.3		Do. pref.	42	98	100	99	100
6	2			Int. Util. (A)	375	4½	4½	4½	4½
J, K, L									
10	6½			Kelvinator	570	9½	10	10	10
11	4			L. St. John Pr.	20	11	10	10	10
21	14½	1.20	5.8	Lake of Woods	370	21	21	20½	21
119	113	7.5	5.9	Do. pref.	110	119	119	119	119
24½	19½	2		Langley's, pref.	20	23	24½	24½	24½
10½	6½	.90	8.3	Laura Secord	415	10	10½	9½	10
9½	8			Legare, pref.	100	8	9	9	9
7	5			Lindsay C. W. c	50	7	7	7	7
25½	19	1+.25	5.5	Loblaw (A)	485	21½	21½	21	21
23½	17½	1+.25	6.1	Do. (B)	145	19½	19½	19	19½
M									
3	1			Mackin Steel, c	35	2	3	3	3
16	11½	1		Maclaren Pr.	275	16	16	15½	15½
4½	1½			Maple Leaf M.	950	4½	4½	4½	4½
11	3			Do. pref.	700	10½	10½	10½	10½
42	21			Massey-Harris	2320	6½	6½	6	6½
15½	10½	1.25		Do. pref.	1258	15½	15½	15½	15½
9	7½	1.15		McColl Fron.	865	8½	8½	8½	8½
98	72½	5	6.1	Do. pref.	152	97	99	96	98
3	1			Mercury Mills	91	4½	5½	5	5
17	11½	2		Mitchell, Robt.	45	16½	16½	16½	16½
11	3			Monarch Knit p	10	5½	6	5½	6
13466	8½	61	5.6	Mont. L. & Pr.	1479	26½	27	26	26
1.80	.70			Mtl. Refrig & S	40	.70	.70	.70	.70
30	11½	1.25		Do. pref.	40	30	30	30	30
24	12			Montreal Tram	15	23	23	23	23
46½	38	2.22+.661	6½	Moore Corp.	1675	46½	46½	44	46½
182	158	7	3.8	Do. pref. (A)	5	182	182	182	182
N, O									
27	21½	2	7.4	Nat. Breweries	306	26½	27	26½	27
40	35	1.75	4.7	Do. pref.	200	38½	37	37	37
7	4	.40		Nat. Grocers, c	50	6½	7	6½	6½
26	24½	1.50	5.5	Do. pref.	70	25½	25½	25½	25½
13½	8			Nat. Pipe A	45	11½	12½	12	12½
4945	40	4½	4.5	Nat. Steel Car	4945	40	45½	39½	45½
45½	27	3	11.8	Nisg. W. Weav.	20	17	17	17	17
18	10	3		Noorduyn Av.	100	4½	4½	4½	4½
1.00	.35			North-St. Oil c	500	1.00	1.00	1.00	1.00
24	17½	1	4.4	Ogilvie Flour, c	175	23	22½	22½	22½
.80	.45			Orange Crush	6	.50	.50	.50	.50
2	1½			Do. pref.	20	1½	1½	1½	1½
3	1½			Ont. Car Air	150	3½	4½	4½	4½
7	4	.60	6.6	Ott. L. H. & Pr.	10	7	7	7	7
10	6	.50	5.9	Do. pref.	10	8½	8½	8½	8½
P, Q, R									
33	28	.03		Pacific Coyle	2300	28	32	.30	33
103	85	5	5.4	Page Hersey	135	93	93	92½	92½
49	36	3	6.2	Penmans, c	10	44	44	43	43
71	32	.30		Power Corp.	737	71	71	7	7
87	73	6	6.9	Do. pref.	30	87	87	87	87
4½	3			Preston E. Metals	1215	6	6½	6	6
20	15			Price Bros. c	735	10½	10½	10	10
11	6		6.2	Prov. Transport	54	6½	6½	6½	6½
11½	11	1	6.4	Quebec Power	770	15½	15½	15½	15½
21	15½	1.60		Regent Knit. pf	35	18	20	20	20
24	17½	2	8.8	River S. Mill	10	22	22½	22½	22½
94	82	6	6.6	Rolland Pap pf.	10	92	92	92	92
155	115	6	6.4	Royal Bank	1135	135	140	135	140
S									
106	102	8.50	5.2	Saguenay Pr. p	155	106	105	105	105
25	24½	1.75	7	Scythes & Co p	25	24½	25	25	25
18½	12	.90	5	Shawinigan Pr.	1654	18½	18½	17½	18
15	7	.60	4.7	Sher. Wms. c	150	14	15	14	15
10	6	.40		Silverwoods	60	10	10	10	10
84	54½	.40	4.9	Do. pref.	100	84	84	84	84
5	2			Simpson A	210	3	3	3	3
11	6			Simpson B	20	6	6	6	6
4	2½			Singer Manuf.	10	3	3	3	3
4	2½			Do. pref.	10	3	3	3	3
3	1			Slater Steel	10	1	1	1	1
10	4			Smith Corona	10	5	5	5	5
3	1			Standard Paving	100	1	1	1	1
3	1			Do. pref.	100	1	1	1	1
3	1			Standard Radio	100	1	1	1	1
3	1			Do. pref.	100	1	1	1	1
3	1			Steel of Canada	100	1	1	1	1
3	1			Do. pref.	100	1	1	1	1
3	1			Stuart, D. A. p	100	1	1	1	1
T, U, V									
3	1			Tamblyn, c	200	1	1	1	1
25	25	2		Tooke Bros. pf.	25	25	25	25	25
137	47½	5	5.2	Tor. Elevat. pf.	137	47½	50½	50½	50½
30	20	3	8.9	United Fuel, pf.	30	20	20	20	20
3	2½			Do. (B) pref.	3	2½	2½	2½	2½
1	1		8.2	Un. Grain G. A.	1	1	1	1	1
6	5			United Secs.	50	6	6	6	6
4	2½			United Steel	960	4½	4½	4½	4½
4	2			Viau Biec.	10	4	3	3	3
60	47	5	10	Do. pref.	5	47	50	50	50
W, Y, Z									
51	35	6	8	Wabasso Cot.	190	48½	50	48	50
50½	40	4	8.2	Walker-Good.	360	48½	47	47	48½
21	18½	1	5.1	Do. pref.	790	19½	19½	19½	19½
1.30	1.00	.05		Wallaceville Sr.	205	1.25	1.25	1.25	1.25
3	1½	.20		West. Breweries	135	3	3	3	3
100	92½	6	6	West C. Flour.	300	3½	3½	3	3½
3½	1			Do. pref. A	50	3½	3½	3½	3½
48	18			Western Steel	635	5	8	7½	8
10	6	.50		Weston, Geo., c	295	12½	12½	12½	12½
12½	9½	.80	6.3	Do. pref.	30	9½	9½	9½	9½
9½	5	5	5.3	Willson	530	3.00	3.12	2.87	2.87
3.50	.65			Winnipeg El. A	11	2.75	2.75	2.50	2.50
3.25	.60			Do. (B)	275	23	23	21	21
24	5½			Woods Mfg., pf.	22	24	6	6	6
35	24	1.50	6.1	Zellers, pref.	140	25	24½	24½	24½

Participating. † Interim dividends paid in 1942. ‡ Paid in 1942. △ On arrears.

Mining Stocks

Week Ending January 25

Range 1942-43 High	Low	Div. Jan. 23 Rate	Y'ld %	Company	Sales	Last Jan. 15	Week Ending Jan. 25 High	Low	Close
A, B									
.16½	.05			Aldermac	20,100	.12	.13	.10½	.12
3.75	1.75	.20		Angio-Hur.	2,580	3.25	3.75	3.25	3.40
.03	.01½			Astoria Que.	500	.03	.03	.03	.03
1.89	.75	.15	10.8	Aunor Gold	4,943	1.48	1.89	1.48	1.89
.15	.02			Beattie Gold	2,555	.12	.12	.11	.11½
.17	.05			Bess Metals	3,800	.10½	.12	.09½	.09½
.04½	.02	.01		Bayonne	2,000	.05	.05	.05	.05
.14	.02½			Bear Expl.	62,075	.12½	.14	.12	.14
.94	.46½	.12		Beattie Gold	2,550	.72	.76	.73	.74½
.04	.01½			Beaufor	500	.04	.04	.04	.04
.14½	.04½			Bidg. Kirk.	50,000	.12½	.13	.11½	.13
.12½	.04			Bobjo	2,500	.09	.09½	.09	.09
.32½	.05			Boncetal G.	9,215	.12	.13	.10	.13
9.30	4.40	1.20	15.3	Braloma	1,610	7.00	8.00	7.80	7.95
.61	.31½	.06		Bronlan	28,400	.51	.54	.51	.53
2.80	.90			Buffalo Ank.	1,800	1.72	1.72	1.65	1.65
C, D, E, F									
.53	.20	.08	16.6	Can. Mal.	2,100	.49	.50	.48	.48½
1.72	.56	.06		Cariboo G.	3,555	1.00	1.10	1.00	1.02
.06	.02			Can. Cad.	500	.05	.06	.06	.06
1.30	.45	.15		Can. Pat.	4,500	1.07	1.07	1.03	1.06
.10½	.04			Can. Pore.	2,235	.08	.09	.07½	.09
1.50	.58	.02½		Chesterville	5,118	.05½	.06	.05	.05
2.90	1.20			Chromium	470	2.00	2.00	2.00	2.00
1.80	.90			Consol Copper	200	1.25	1.40	1.20	1.20
.99	.44	.09		Cochenour	10,700	.85	.99	.84½	.84½
1.00	.36	.15		Consuurus	2,201	.85	.85	.80	.94
.06	.02			Denison N.	13,100	.04	.04	.04	.04½
20.50	10.37	1.60	8.1	Dome Mines	1,077	20.00	20.00	19.00	19.25
.10	.02½			Duquesne	17,200	.06	.06½	.06	.06½
2.24	.73	1.05		East Malar.	20,000	1.25	1.25	1.19	1.23
1.35	.32			Eldorado	18,550	1.03	1.06	1.00	1.03
2.80	2.20	1.15		Falconbridge	1,460	3.35	3.55	3.45	3.45
.03½	.01			Federal	1,500	.03½	.03	.02½	.02½
.43½	.12			Francoeur	8,000	.25	.27	.25	.25
G, H, I, J									
.04	.01½			Gillies Lake	2,500	.02½	.03½	.02	.03
.30	.08			God's Lake	29,250	13½	.15	.13½	.14½
.13	.06½	.02		Goldale	500	12½	.11½	.11½	.11½
.18	.10	.04		Gold Belt	2,000	.14	.18	.17	.17
.10½	.06	.09		Goldora	1,500	.02½	.09½	.02½	.02½
.04½	.01			Golden G.	3,136	.03½	.03	.03	.03
.02½	.01			Graham B.	1,000	.01½	.02½	.02½	.02½
.18	.10	.02		Grandview	500	.12	.14	.14	.14
.04½	.01½	.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	.40	Mar. 1	Feb. 15
Do., pref.	1.12	Apr. 1	Mar. 15
Ault & Wiborg, p.	1.37½	Feb. 1	Jan. 15
Anglo-Can. Tele., p.	.68¾	Feb. 1	Jan. 15
Aluminum	.2	Mar. 5	Feb. 17
Do., pref.†	1.50	Mar. 1	Feb. 10
Aunor Gold	.04	Mar. 1	Feb. 12
Bertram & Sons	.15	Feb. 15	Jan. 31
Do., extra	.05	Feb. 15	Jan. 31
Bank of Toronto	2.50	Mar. 1	Feb. 16
Bank of Montreal	1.50	Mar. 1	Jan. 30
Belding Cort., c.	*2.	Mar. 1	Feb. 15
Berens River	.03	Mar. 10	Feb. 10
Bathurst Pr. & P. A.	.25	Mar. 1	Feb. 5
B. C. Packers	.75	Mar. 15	Feb. 27
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 21
B. C. Tele., 2nd pf.	1.50	Feb. 1	Jan. 16
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan 15
Calgary Power, pfd.	1.50	Feb. 1	Jan. 15
Can. Bronze	.37½	Feb. 1	Jan. 11
Do., extra	.50	Feb. 1	Jan. 11
Do., pref.	1.25	Feb. 1	Jan. 11
Can. & For. Sec.	.06	Feb. 1	Jan. 15
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Canada Starch, pref.	1.50	Feb. 15	Feb. 8
Can. Bk. of Comm.	1.50	Feb. 1	Dec. 31
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Jan. 30	Dec. 28
Can. Celan. Inc. rts.	1	Mar. 15	Dec. 31
Can. Inv. Fund sp ord.	.04	Feb. 1	Jan. 15
Can. Investors	.10	Feb. 1	Jan. 18
Can. Pac. Rly., pfd.	2½	Feb. 1	Jan. 2
Canadian Oil, c.	.25	Feb. 15	Feb. 1
Cockshutt Plow	.25	June 1	May 15
Cochenour W.	.03	Feb. 16	Jan. 25
Coast Brew.	.03	Feb. 1	Jan. 15
Commoil	.01	Feb. 27	Feb. 12
Common'wlth Int'l.	.04	Feb. 15	Jan. 15
Conduits Nat.	.25	Feb. 1	Jan. 23
Corr. Pap. Box, pf.	1.75	Mar. 1	Feb. 15
Cosmos Imperial pf.	.30	Feb. 15	Jan. 30
Do., extra	.15	Feb. 15	Jan. 30
Crown Cork	.50	Feb. 15	Jan. 30
Dairy Corp., pfd.	•1.25	Apr. 1	Mar. 15
Distillers Seag. pf.	†1.25	Feb. 1	Jan. 15
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Bridge	.30	Feb. 23	Jan. 30
Dom. Scot. Inv., pfd.	.50	Mar. 1	Feb. 22
Dom. Fabrics	.20	Feb. 1	Jan. 18
Do., 1st pref.	.75	Feb. 1	Jan. 18
Do., 2nd pref.	.37½	Feb. 1	Jan. 18
Dom. Foundries, pf.	1.50	Mar. 1	Feb. 20
Dom. Tar, pref.	1.37½	Feb. 1	Jan. 15
Eastern Steel,	.25	Mar. 1	Feb. 15
Farmers' Tele.	.63	Jan. 30	Dec. 31
Gordon & Belyea, A	.2	Feb. 1	Jan. 21
Do., (B)	.40	Feb. 1	Jan. 21
Grandview Mines	.01	Feb. 1	Jan. 10
Granby Elastic, pfd.	.69	Feb. 1	Jan. 15
Hedley Mascot	.02	Feb. 15	Jan. 23
Hollinger Cons.	.05	Jan. 29	Jan. 14
Honey Dew	.50	Apr. 1	Mar. 15
Hydro-El. Secs., B, p.	.25	Feb. 1	Jan. 15
Inter C. Baking	•1.	Jan. 30	Jan. 20
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Imperial Bank	2	Feb. 1	Dec. 31
Int. Metal, pf. A pfd.	1.50	Feb. 1	Jan. 15
Inter. Util., pr. pf.	7.87½	Feb. 1	Jan. 21
Kerr Addison	.25	Feb. 26	Feb. 9
Laura Secord	●.20	Mar. 1	Feb. 15
Loblaw Groc. Inc.	†.25	Feb. 27	Feb. 12
Leitch Gold	.02+.01	Feb. 15	Jan. 30
Lamaque G.	.10	Feb. 1	Jan. 8
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
Mill C. Pete.	.03	Jan. 29	Jan. 8
Montreal Power	.38	Jan. 30	Dec. 31
McIntyre Porc.	.55½	Mar. 1	Feb. 1
Do.,	.55½	June 1	May 1
Mtge. Corp. N.S.	1.25	Feb. 1	Jan. 23
Ont. Silknit 1d. rts.	.1	Feb. 15	Dec. 31
Privateer Mine	.02	Feb. 10	Jan. 25
Penmans	.75	Feb. 15	Feb. 5
Do., pref.	1.50	Feb. 1	Jan. 21
Power Corp.	.15	Feb. 1	Dec. 31
Quebec Power	.25	Feb. 25	Jan. 26
Royal Bank	1.50	Mar. 1	Jan. 30
Royal Trust	.80	Feb. 1	Jan. 20
Roland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Senator Rouyn	.03	Feb. 20	Feb. 1
Shawinigan W. Pr.	.23	Feb. 25	Jan. 25
Sherwin Wms. ord.	.15	Feb. 1	Jan. 15
Sherbrooke Trust	1.50	Feb. 1	Jan. 15
Silverwoods	.20	Apr. 1	Feb. 27
Do., pref.	.20	Apr. 1	Feb. 27
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref.	.75	Feb. 1	Jan. 7
Stuart Oil, pfd.	.20	Mar. 1	Feb. 15
St. Law. Flour	.38	Feb. 1	Jan. 20
Do., pref.	1.25	Feb. 1	Jan. 20
Sug. Power, pfd.	1.37½	Feb. 1	Jan. 20
Simpsons, pfd.	1.62½	Feb. 1	Jan. 23
Sullivan Cons.	.03	Mar. 15	Feb. 15
Teck-Hughes	●.10	Feb. 1	Jan. 8
Toburn Gold	.01	Feb. 22	Jan. 22
United Corp. A	.38	Feb. 15	Jan. 15
United Distillers	.10	Feb. 11	Jan. 9
Walker-Good.	.1	Mar. 15	Feb. 19
Do., pref.	.25	Mar. 15	Feb. 19
Wood, A. J. pfd.	1.75	Feb. 1	Jan. 15
Weston Geo. pfd.	1.25	Feb. 1	Jan. 15
York Knitting, pfd.	2.50	Feb. 15	Feb. 6
Do., 2nd pref.	2.50	Feb. 15	Feb. 6
Do., com.	.20	Feb. 15	Jan. 15
Zellers	.20	Feb. 1	Jan. 15
Do., bonus	.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

†N. Y. funds. ‡Subject to approval of Foreign Exchange Control Board. *Bonus. •Initial.

Supplementary Bond Quotations

(Supplied by Plaxton, Cherry & McDonnell, Toronto)

Month-end close and changes from Previous Month-end Jan. 26, 1943

Miscel. Corp. Utility & Realty Bonds	Bid	Ask	Change from 1941 yr. end
‡Adel.-Peter. 6½% '48	41	44	..
*Adel.-Sheppard. 7%/48	23	26	..
Albert Bay 5%/50	59	62	+1
Algoma Cent. 5%/59	23½	28½	+2
Alexandra Apts. 3%/55	54½	57½	+1½
Ancroft Place, 4%/56	46	49	+1
*Annandale C. 6½% ser.	33	37	+1
*Balfour Bldg., 3%/43	47	50	..
*Bay-Adelaide, 6½%/47	23½	28	+1
*Bay-Cumberl'd, 6½%/44	18½	21½	..
Bay-St. Albans, 4%/53	54	57	..
Beach Pdry., 6%/45	82	..	..
‡Bloor-St. G. Rlty. 7%/46	47½	51	—1
Brantford Roof., 5%/59	80	84	+1
Can. Machinery, 5%/54	99	102	..
Do., 6%/55	97	100	..
‡Clarendon Apts. 7%/46	24½	27	+1
‡Clarendon Props. 7%/47	24½	27	+1
Dom. Square 4%/59	62½	65½	+1½
Ellis Park, 4½%/45	64	67	+2
Gair Inc. Notes	75	80	+1
Gen. Brock Hotel 3%/54	37	40	..
Godfrey Realty, 4%/52	54	57	+1
‡Keefer Rlty., 5%/55	27	29	—½
Lombard Rlty., 2½%/51	26	29	+1
*London Realty, 6½%/59	86	90	+2
Lord Nelson Hl., 4%/47	51	54	+2
Mayor Bldg., 3%/42	54½	57½	..
Moodie, J. R., 6%/48	95	98	+2
Nat. Utilities, 6%/48	58	62	+2
Ont. Building, 3%/43	41½	44½	+½
Prince Ed. Hotel 4%/47	37	40	..
‡Prof. Offices, 7%/33-45	59	62	+4
Richmond-Bay, 6½%/47	97	100	+1
*Richmond Bldg., 7%/47	91	11	—1
Ritchie C. Stone 6½%/48	101	..	+1½
St. Cath. Stanley, 5%/57	60	63	—1
Stavely Apts., 2½%/49	62	66	..
‡St. Exch. Bldg., Vanc., 6%/44	45	48	+2
‡Trinity Bldg., 4½%/52	10	13	+½
200 St. Clair W. 4½%/58	53	56	..
•Vanc. Georg. H. 6%/47	56	59½	..
‡Wel'nton Bldg. 6½% ser.	61	65	..
‡Wind. Court Apt. 6%/42	41½	45	+3
*York Adelaide, 7%/45	4	6	..
York St. Bldgs., 6%/43	63½	..	+4

*Issue carries arrears of interest. †Currently paying on interest arrears. •Payable U. S. funds only.

Significant Investors' Index Numbers

No. of Securities	Mach and equip. 8	Pulp and papes 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Bevers ages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total 95 cos.
*1935 to date: (Base 1935-39=100)												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.8	61.3	41.2	78.4	73.5	79.3	68.7	60.2	69.0	69.3	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	96.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	90.2	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.2	75.8	92.8	74.0	62.0	89.4	67.5	62.9
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.8	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	96.3	73.1	66.8	71.9	67.6	61.8
Sept.	77.9	55.9	62.6	49.0	96.8	74.2	96.7	71.2	67.1	69.0	68.2	62.0
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	96.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	105.5	74.9	72.1	72.3	77.6	67.6
Dec.	86.0	71.2	81.9	57.9	106.3	82.5	107.3	78.6	80.7	74.4	83.8	71.3
1943: Weekly Figures:												
Jan. 7	87.6	73.3	81.0	63.0	111.7	84.9	107.5	83.0	85.0	75.6	87.7	73.8
Jan. 14	90.6	76.4	83.4	66.0	113.2	87.9	108.8	84.2	87.2	76.8	90.0	75.4
Jan. 21	91.0	77.1	81.9	66.3	115.8	85.6	110.4	84.3	86.7	76.9	91.5	77.2

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 R.M.	15 W.O.
Jan. 26	103.73	79.96	67.47	20.88
Jan. 25	103.79	74.77	66.96	20.91
Jan. 23	103.72	76.09	67.05	20.79
Jan. 22	103.14	75.12	66.96	20.66
Jan. 21	103.23	74.52	67.05	20.40
Jan. 20	102.43	74.92	66.51	20.26
Month ago	98.44	66.99	62.70	17.93
Year ago	89.14	61.43	60.40	19.56
High 1942-3	103.79	109.76	75.30	21.62
Low 1942-3	79.55	50.16	56.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	20 Chd.	10 Pprs.	15 Golds
Jan. 26	54.3	67.9	63.4	77.76	84.79
Jan. 25	54.6	67.7	63.3	77.58	84.94
Jan. 23	54.5	67.4	63.1	78.66	85.11
Jan. 22	54.6	67.5	63.0	78.51	84.89
Jan. 21	54.3	66.8	62.9	79.25	84.94
Jan. 20	54.6	66.5	62.5	79.07	84.61
Month ago	50.9	65.7	59.4	73.36	48.02
Year ago	43.4	60.3	54.7	74.42	68.31
High '42-3	54.9	67.9	63.4	81.94	85.11
Low '42-3	39.6	63.3	49.0	67.66	33.67

The Business Of Farming

By GORDON L. SMITH

"If the government wants increased production of needed farm products why doesn't it follow exactly the same course as with munitions and offer cost-plus contracts? You can't expect farmers to go to a lot of expense and trouble to raise extra hogs, beef cattle or increase milk production, unless they are guaranteed against loss."

This argument was presented by an Ontario farm owner to The Financial Post this week. This man explained that at the urgent request of the authorities he had started to raise hogs, although he doesn't particularly fancy hogs and that after the war he will give them up.

• • •

No Guarantee Against Loss

On these hogs, however, he points out that he is not guaranteed against loss. It required considerable capital to get into the business, almost a year before production started and to liquidate normally after the war would take at least six months. To produce hogs, from birth to marketing stage, of course, requires five to seven months and before this, breeding stock has to be raised or purchased and this breeding stock will have to be liquidated and all young commercial stock raised to market stage in any orderly liquidation.

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Cost-plus Contracts

This farm owner is not the first that has raised the question of cost-plus contracts. He, along with many thousands of others, well remembers the losses incurred following the first Great War. At that time the collapse in farm prices which shortly followed the peace treaty, caught many farmers with half-grown crops and half-grown livestock and greatly expanded herds and flocks, on their hands. Had the war continued this production would have been needed; as soon as the peace was signed and famine relieved in Europe it became harder and harder to sell it. A great deal of it had been produced under very high cost conditions, labor, fertilizer, machinery, breeding stock, etc., having advanced sharply in price since pre-war.

Undoubtedly this uneasiness over what may happen to selling prices before stock or crops can be marketed has been partly responsible for retarding increases in food production in this war. Especially is this true in such long production lines as beef and dairy cattle. It requires from two to three years to bring a steer from birth to slaughter stage and almost as long to bring a dairy cow into milk production. By that time there has been a considerable investment in overhead—labor, feed consumed, initial cost, etc.

• • •

Fear Losses

If farm food production is to be jumped up, certainly something along the line of protecting producers against losses will have to be worked out. So far, about the only assurance, though it is pretty substantial, is the certainty of present keen demand continuing for needed lines and the likelihood of tremendous food shipments to liberated Europe and China immediately after the war.

The latter development should provide some opportunity for shrewd farmers to adjust their production to peace. But the feeling is growing that this assurance is not enough; that there must be more profit incentive or at least a guarantee against loss. The average farmer feels that he is not in a position to know just how long war and immediate post-war demand will continue; that the government, which is in a much better position to determine this important matter, can afford to take more financial responsibility.

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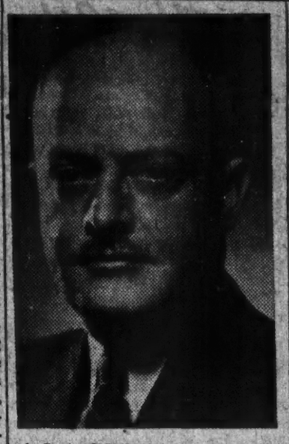
A Ticklish Problem

But the cost-plus idea as applied to farm food production involves some ticklish problems. Farms are food factories, true enough, but not nearly as standardized as say the factory producing shells or guns. It is a relatively simple matter for the government, with a corps of auditors and technicians, to determine the cost of those instruments of destruction and it is no great hardship on manufacturers to insist on costs being pared to something like a uniform level.

But to determine the cost of a hog is a different matter. On some farms it will be economical to raise them by the hundreds, on others where most feed might have to be purchased, it would not. Some dairy farms have an abundance of cheap by-products, such as skim milk, or whey, some have not. Some have good feed crops, others hit by unfavorable weather have not.

In areas where winters are severe cost of hog production will be higher than where less protection involving less expensive buildings, is required. It is not so long since western farmers maintained that they could not raise two pig litters a year, that animals born in the winter would and did die.



A.C.A. PRESIDENT

J. W. Moore, advertising and sales promotion manager of Maple Leaf Milling Co., is the new president of the Association of Canadian Advertisers. He succeeds Paul K. Abrahamson, who has been promoted to district sales manager of the Borden Co. at Chicago.

Insurance Company Report

North American Life

Insurance in force with the North American Life Assurance Co. at the end of 1942 totalled $282.8 millions, up about $22.1 millions from the previous year, according to the annual report for 1942. This represented over 111,000 policies for an average of $2,544 each. In addition W. M. Anderson, assistant general manager, stated at the annual meeting, there are vested annuities in force of $3.5 millions in reserve value, providing annual payments of $325,000.

Death claims incurred amounting to $1.8 million were higher than in the previous year, but involved on the whole, policies with higher reserve values. Total policy benefit payments incurred including dividends were $5.3 millions compared with $5.5 millions in 1941, due to smaller demand for surrender values.

During the year, the company's assets increased $4.6 millions, the total now being $76.3 millions.

Important features in the report follow:

	1942 $	1941 $
Business in force	282,807,174	260,710,697
Business issued	37,911,866	29,626,720
Total receipts	11,859,240	11,074,484
Premiums	8,719,524	8,007,111
Int. divids., etc.	3,106,107	3,054,515
Policy payments:	4,236,649	4,569,229
Death claims	1,822,450	1,616,533
Matured end., etc.	2,514,199	2,555,095
Surplus earnings	1,236,946	1,304,727
Total assets	76,324,069	71,747,744
Bonds	40,372,220	44,119,644
Stocks	3,824,316	4,141,962
Policy loans	6,169,678	6,600,336
Mortgages	12,139,777	13,061,991
Policy reserves	62,445,928	58,517,866
Free surplus	2,484,869	2,380,421
Interest earned	4.39%	4.58%

Manufacturers' Life

A gain of $40 millions during the year, brought the amount of business in force with the Manufacturers Life Insurance Co. on Dec. 31, 1942, to $672 millions, J. H. Lithgow, general manager, stated at the annual meeting of the company.

The rate of mortality was somewhat higher due to war claims. The ratio of actual to expected claims was 71%, which compares with 66% in the previous year. Net claims due directly to the war were $625,070 against $186,311. Exclusive of war claims, mortality of the company remained at the relatively low levels of recent years.

Investments during the year showed a substantial rise in government bonds, this being due to the purchase of Dominion Government Victory bonds.

Important items in the report follow:

	1942 $	1941 $
Business in force	672,117,899	632,033,121
Business issued	60,944,536	60,131,339
Total receipts	37,057,946	39,447,940
Net prem. inc.	23,804,744	26,150,234
Interest, etc.	8,353,631	8,497,867
Policy payments	13,978,004	15,455,330
Death claims	4,251,907	4,583,626
Maturities	6,973,082	8,017,048
Policy divids.	1,753,095	1,854,653
Assets	321,132,979	305,003,436
Govt. bonds	100,888,234	79,832,861
Other bonds	62,036,859	52,979,946
Mortgages	21,964,693	24,155,675
Stocks	12,231,436	11,130,254
Policy loans	12,168,663	12,948,219
Policy reserves	152,998,719	170,941,695
Contng. reserves	3,500,000	3,500,000
Funds on deposit	10,230,695	9,145,894
Interest earned	4.19%	4.31%

See Record Carryover For Wheat This Year

Total Would Feed Canada for Five Years — Commercial Storage Jammed Full and Big Blocks Still in Farmers' Hands

From Our Own Correspondent

WINNIPEG.—Wheat carryover in commercial storage next Aug. 1 will reach the enormous total of 688 million bushels, the Dominion Department of Agriculture estimates. This, without another bushel being grown, would be sufficient to handle Canadian domestic requirements for over five years and even a heavy export would keep us going for two. Compared with the highest previous carryover, 448 millions in 1941, it is up 50% and more than three times the greatest accumulation in pre-war years.

Details of carryover in the last 20 years are as follows:

Canadian Wheat Carryover (Millions of bushels)

Aug. 1:	
1943*	688
1942	404.2
1941	448.2
1940	272.9
1939	94.6
1938	33.5
1937	32.9
1936	108
1935	202.1
1934	192.9
1933	209.9
1932	130
1931	133
1930	110.5
1929	104.3
1928	77.5
1927	50.7
1926	36.5
1925	27.7
1924	45.2
1923*	11.7

†Estimated. *Sept. 1.

Normally, of course, commercial storage figures at this season of the year or until the crop year end, at Aug. 1, would give an almost complete picture of wheat accumulation. Except in very unfavorable seasons when both harvesting and delivery might have been seriously handicapped by bad weather, would there be any considerable store of wheat in farmers' hands after January.

Today, however, conditions are far from normal. Deliveries have been rigidly restricted due to the lack of elevator space available. Last year, not only was there a slight cut in acreage but farmers were limited to total deliveries of 280 million bushels spread over the crop year. Total crop produced was over 600 million bushels or an all-time record. To date only a portion of this has been accepted by hard-pressed country elevators and by the end of the crop year next Aug. 1 it is safe to say that in addition to the estimated 688 million bushels of wheat in commercial storage, there will be at least 200 to 300 million bushels of wheat stored in farmers' bins.

To meet the increasingly heavy carryovers, and the renewal of good crops since 1939, commercial storage has been sharply expanded in Canada. This has been largely accomplished by the erection of more or less temporary annexes to country and terminal elevators. At the beginning of the war total commercial capacity was estimated at only 423 million bushels while today it will be somewhat in excess of 600. In addition, of course, thousands of farmers have increased their own private storage bins where grain can be held some time with moderate safety. To ease the storage situation in the new crop year starting next Aug. 1, a further decrease of about 20% or 4,000,000 is planned in wheat acreage.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.31	$11.02	$9.51
Hogs	16.87	16.81	15.50
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2151	.2133	.2069
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.90⅝	.90¼	.78⅝
Coffee, lb.	*.09¾	.09⅝	.09⅝
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	101.6	101.4	98.6
Dow Jones (fut.)	89.40	89.18	88.46
Wood, Gundy	79.1	79.0	75.9
Fishers	110.1	109.8	102.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	118.8	118.6	115.8
W'sale (Dec.)	97.2	97.1	93.6
U. S. (Nov.)	100.3	100.0	92.5
Gt. Brit. (Dec.)	161.5	161.0	155.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper — electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 25, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Jan. 25
Wheat					
.94	.92⅝	May	.92⅞	.92⅝	.92⅞
Oats					
.51⅛	.45⅝	May	.51½	.51¼	.51⅜
.51⅜	.47⅛	July	.51¼	.50⅛	.50⅝
Barley					
.64½	.60¾	May	.64½	.63⅞	.64
.64	.62⅞	July	.63⅞	.62⅞	.63½
Rye					
.66⅜	.56¼	May	.66⅜	.66⅛	.66⅜
.66⅛	.65	July	.66⅝	.66⅛	.66⅜

Cash Quotations

	For Week Jan. 25 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.90⅝	.90¼	.90½	.90¼
2 Nor.	.87½	.87	.87½	.87
3 Nor.	.83¾	.83¼	.83¾	.83¼
4 Nor.	.80½	.80¼	.81	.80¼
5 Wheat	.76⅞	.75½	.78½	.76¾
6 Wheat	.75¼	.74⅝	.75½	.74½
Oats:				
2 C. W.	.51½	.50¼	.50¾	.48½
3 C. W.	.51	.49¾	.50	.47
Barley:				
1 Feed	.63	.60½	.62½	.59⅝
2 Feed	.62¼	.60⅛	.61½	.59⅛
Rye:				
2 C. W.	.65¾	.65⅛	.65¾	.63¾

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 219

NOTICE is hereby given that a DIVIDEND of ONE DOLLAR AND FIFTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 30th January, 1943.

By Order of the Board

B. C. GARDNER, General Manager.

Montreal, 19th January, 1943.

The Dominion Bank

Dividend No. 241

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of February, 1943, to shareholders of record of the 15th January, 1943.

By Order of the Board,

ROBERT RAE, General Manager.

Toronto, 10th December, 1942.

The Royal Bank of Canada

Dividend No. 222

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1943.

By order of the Board.

S. G. DOBSON, General Manager.

Montreal, Que., January 12, 1943.

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 16

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on February 26th, 1943, to shareholders of record at the close of business on February 9th, 1943.

By Order of the Board.

G. A. CAVIN, Secretary-Treasurer.

Toronto, Ontario, January 25th, 1943.

AUNOR GOLD MINES LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Four (4c) Cents per share, payable in Canadian Funds, has been declared by the Directors of AUNOR GOLD MINES LIMITED, payable March 1, 1943, to shareholders of record at the close of business February 13, 1943.

By Order of the Board.

J. R. BRADFIELD, Secretary.

Toronto, January 25, 1943.

Silverwood Dairies, Limited

PREFERRED DIVIDEND NO. 14

NOTICE IS HEREBY GIVEN that the regular semi-annual dividend of twenty cents (.20c) per share has been declared on the Preferred Shares of the Company, payable April 1st, 1943, to shareholders of record at the close of business February 27th, 1943.

COMMON DIVIDEND NO. 5

NOTICE IS ALSO GIVEN that a dividend of twenty cents (.20c) per share has been declared on the Common Shares of the Company, payable April 1st, 1943, to shareholders February 27th, 1943.

By Order of the Board,

J. H. GILLIES, Secretary-Treasurer.

London, Ontario January 25th, 1943.

The Corrugated Paper Box Company, Limited

PREFERRED STOCK DIVIDEND NO. 32

Notice is hereby given that dividend No. 32 of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of March, 1943, to shareholders of record at the close of business on the 15th day of February, 1943.

Dated the 25th day of January, 1943.

J. A. WHEALY, Secretary.

Dividend Notice Commoil Limited

NOTICE is hereby given that a dividend of 1c per share has been declared on the outstanding no par value shares of the Company, payable February 27th, 1943, to shareholders of record at the close of business, February 12th, 1943.

The transfer books of the Company will not be closed.

BY ORDER OF THE BOARD.

G. J. McKAY, Secretary.

Jan. 16, 1943.

BRITISH COLUMBIA PACKERS LIMITED

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of 75 cents per share, payable by cheque to be issued at Vancouver, on 15th March, 1943, to shareholders of record at the close of business on February 27th, 1943.

Shareholders holding certificates in "street" form are requested to surrender such certificates to the Company's transfer agents, The London & Western Trusts Company Limited at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its office in Montreal, so that they may become registered as the owner of such shares on or before 27th February, 1943.

NOTICE is hereby also given that the Company's Register of Transfers maintained at the office of the London & Western Trusts Company Limited in the City of Vancouver, B.C., and the Company's branch Registers of Transfers maintained respectively at the office of The London & Western Trusts Company Limited in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 1st day of March to and including the 6th day of March, 1943.

DATED at Vancouver, B.C., this 23rd day of December, 1942.

By Order of the Board.

A. HAMILTON, Secretary.

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All Grades Feed BARLEY

SAMPLE WHEAT

BULK or SACKED

Barley Meal

All Grain Selected from Our Elevators in the Finest Growing Districts of Western Canada

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FEDERAL GRAIN LIMITED

OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER

436 COUNTRY ELEVATORS THROUGHOUT

Seeks New Deal For Mine Towns

C.I.M.M. Head Says Municipalities Deserve Tax "Break"

A new survey of mining taxation and the fairness of the proportion received by mining municipalities has been announced by R. A. Bryce, president of the Canadian Institute of Mining and Metallurgy, speaking before the Kirkland Lake branch of the C.I.M.M.

Reporting that a committee had been set up to compile data, Mr. Bryce declared that from information now available, the tax set-up seems inequitable and "a greater part of the mines tax, paid annually to the Federal Government, should be diverted to the municipalities in which the taxed mines are located."

Suffering "Depression"

The move for a greater amount of tax revenue was instituted by Reeve Ann Shipley of Teck Township (in which Kirkland Lake is situated) as one way declining tax revenues might be offset. Kirkland Lake is suffering a "depression" caused by the 1942 strike and subsequent shift of miners from Kirkland Lake to Sudbury. If something can't be done, it is reported that the Township may face a 12-mill increase in its tax levy.

Calling the mines tax "exorbitant," Mr. Bryce informed the Kirkland Lake C.I.M.M.: "The mining industry has set up a committee to look into mine taxes all over Canada. To date there has been no attempt to centralize information respecting mine taxation. Now the mining industry has a good committee which hopes to compile accurate data on the tax situation. Our aim is to attempt a redistribution of mine taxes so that the municipalities in which the taxed mines are located will receive a greater proportion of the money.

Little Money Returned

"A large toll is exacted by the Dominion Government and little tax money is returned to the locality where it will accomplish most good," he stated. "Although many town councils may doubt the sincerity of the mining industry, we are actually working for the best interests of all. But a great deal of work is entailed in such a project."

With 600 to 800 houses vacant in Kirkland Lake and other gold mining municipalities suffering in lesser degree, the problem of adequate revenue has become a pressing problem for more than one mining municipality.

War industries have been suggested for these areas but as yet little has been done aside from having the mines carry on war work in their machine shops.

Struggle For Control Of B. C. Mining Firm

Contest Over Grull Wihksne and Bayonne Consolidated Arouses Wide Interest in Vancouver Financial Circles

From Our Own Correspondent

VANCOUVER.—Interest in mining and financial circles has been aroused here over the contest for control of Grull Wihksne and Bayonne Consolidated. The battle will be resumed at an extraordinary meeting called by the new board for Feb. 20 in Vancouver.

It will be recalled that at the annual meeting of Grull early this year the old board headed by W. C. Ditmars and comprising some of Vancouver's most prominent businessmen was unseated on a poll of proxies after it had been upheld by a show of hands.

President W. J. Asselstine, former minister of mines, has issued a statement replying to published assertions of A. N. Wolverton, president of the Vancouver stock exchange and a large Grull stockholder.

"Mr. Wolverton has repeated on several occasions that certain members of the new board are, in some sinister way, endeavoring to obtain control of certain scheelite claims recently optioned by Bayonne," says the statement.

"The short answer is that the new board has unanimously gone on record against the acquisition of these raw prospects. A letter has been sent by them to the Bayonne board, requesting that all further work and expenditures on these claims cease.

"All members of the new board, who spoke on the matter at the last annual meeting, told the shareholders in the presence of Mr. Wolverton that they thought this new undertaking improvident.

"Mr. Wolverton further comments on the share holdings of some members of the new board. He states several members have only one share, referring obviously to Mr. Asselstine and E. Grattan Lynch. Mr. Asselstine has 22,500 shares of the company and Mr. Lynch is a large shareholder in Bayonne. All the other members of the board, including C. E. Marr, president of Sheep Creek; G. L. Fraser, John Grull and Frank Van Waas, have very substantial holdings in Bayonne or Grull."

The new board states that William Genser, mentioned in Mr. Wolverton's statement, is not associated with the board, even indirectly, although he is a large stockholder.

Issue Before Meeting

Mr. Asselstine points out that the chief issues before the annual meeting were the high cost of mining operations at the Bayonne property and whether the company desired the appointment of Mr. Lynch as consulting engineer and director.

Although the final vote resulted in overthrow of the old board, the new board was requisitioned the next day by the following directors and shareholders to call another meeting for the purpose of holding another election of directors:

A. N. Mercer, John Hillas, R. M. Brink, Archie Bassett, Lorne E. Collum, A. R. Hager, H. E. Meilicke, A. Wolverton, Ed. J. Meilicke, A. J. B. Fell, Gordon Bell, J. C. McPherson, Charles J. White and B. R. Wolverton.

The new board, condemning this procedure on constitutional and economic grounds, contends that the request for another meeting is deserving of criticism and in a letter to shareholders it asks that proxies be made out in favor of the present directors.

The new board claims that the newly-acquired scheelite claims, regarded as "raw prospects" by Dr. Victor Dolmage, geologist, will cost the company $89,000 if all option payments are made, plus an overriding royalty of 5% of net smelter returns, and that it is not improbable that development costs will run as high as $200,000 before the claims reach the shipping or milling stage.

Additional financing would be necessary as neither Grull nor Bayonne has the required capital, the board states, arguing that the company should stay in the gold mining business.

Naybob Gold Mines creditors have been asked to send their claims to E. G. Clarkson, provisional liquidator, "in conjunction with the winding up" of the company. The report of the liquidator is to be heard at Osgoode Hall, Feb. 11.

Mining

INVESTMENTS

Graphite may be added to Canada's mineral production in substantial amounts before long. Ventures Ltd. recently took over the Black Donald graphite mine, near Kaladar, eastern Ontario, following diamond drill indications of 40,000 tons of mineable material above the 300-ft. horizon and production plans are now in hand.

A mill with a grinding capacity of 50-75 tons daily is to be installed and production will be resumed soon after the old workings have been dewatered.

Records show that mine output in the past amounted to about 200 tons of finished graphite a month, which was marketed for foundry and lubricating uses. The present programme is in charge of the Frobisher Exploration Co., subsidiary of the Ventures interests, with Mr. N. H. C. Fraser, resident manager.

• • •

Magnet Consolidated has demonstrated once again what a large element luck plays in mining. The company secures most of its ore from a single narrow, high grade ore shoot and officials were naturally concerned when this ore shoot did not turn up in the expected position in drifting on a new bottom level.

But the situation was changed almost overnight by drilling a flat exploratory hole which revealed a high grade vein—possibly the downward extension of the ore opened at the upper horizon. A crosscut was carried over to the new vein and the first 36 ft. of drifting in it has returned ore grading a half ounce per ton across an average width of 20 in., or ore comparable to that on the upper levels of the mine.

• • •

Pyrites may mean a great deal to Canada's future, Prof. J. V. MacEwan, noted McGill metallurgist declared recently at a meeting of the Sudbury Branch of the Canadian Institute of Mining and Metallurgy. Noranda Mines, Golden Manitou and Aldermac Copper Corp. possess large quantities of pyrites in their ores. Noranda and Aldermac are already turning out pyrites and some consideration has been given to their recovery by Golden Manitou. To Noranda, the future value of pyrites is of first importance as the company has not located any quantity of high grade copper ore at depth but has nevertheless tremendous tonnages of pyrite.

Prof. MacEwan outlined a process which has been developed to utilize pyrites and produce elemental sulphur and very pure iron oxide. The new development is known as the Westcott process and has been developed beyond the pilot plant stage, he stated.

The process is said to be that developed by Aldermac Copper some years ago. The iron developed by the Westcott method is said to be adaptable to the powdered iron technique which is being used to produce iron shapes and forms.

The process was seen as possibly making Canada independent of foreign sources for iron ore and crude sulphur. The side reactions of the process are numerous and complicated but gold recovery is possible and by proper control, chlorides of copper, nickel, cobalt, etc., are left with the gangue and are recoverable. The iron oxide is of very high purity, reduction tests showing a powder analyzing 99.96% iron.

The Week in Oils

From Our Own Correspondent

CALGARY.—Western oil was hard hit by the blizzards. Movement of supplies and equipment was virtually impossible, water lines froze, gas lines snapped. Drilling crew members worked under hazardous conditions, with temperatures far below the freezing point, and had to suspend operations temporarily at most of the prospect wells outside Turner Valley, and at a number of wells in the Turner Valley field itself.

Shut down temporarily pending improvement in the weather were the three Imperial Oil group wildcats at Grantham, Armelgra and Blood Indian Reserve, the Standard of British Columbia test at Ross Lake, the Shell Exploration test at Jumping Pound, the Sullivan Creek test, the Royal Sun test on the Livingstone Range.

All companies with survey parties still in the field called them in pending return of milder weather.

• • •

Production Delayed

Because of the weather, and difficulty in securing supplies and equipment, the recently completed Northclonmel Royalties well in the north Turner Valley extension was still not on production early this week, two weeks after completion of drilling. By last week end, however, the crew had managed to erect storage tankage, lay gas and oil lines, circulate out the drill-fluid and replace it with oil, and run the gun-perforator to shoot the liner opposite the oil-bearing porous horizons of the Madison lime. After one shot had been made, however, the line broke, and the crew found itself faced with a fishing job for the lost gun-perforator.

Another new location was added last week to the Imperial Oil group string in Turner Valley. The new site is for Royalite No. 76, to be drilled in the centre of lsd 11 22-20-3w5th on the northwest flank of the structure, quarter of a mile west of Royalite 68, a well now close to completion in the Madison lime. The No. 70 well is expected to be drilled with the heavy duty rotary from No. 68.

• • •

Foothills 14

Foothills No. 14, north Turner Valley test in lsd 6 27-20-3w5th, topped its Madison limestone objective at 6,940 feet, and was expected to run production string of casing during the week end. The well is located quarter of a mile east of the Foothills 6 producer and the same distance west of the Royalite 35 producer.

The Royalite No. 68 well was drilling 516 feet in the Madison lime at 7,132 feet, apparently in the top of the lower porous horizon. Royalite-Lowery No. 1 was drilling 120 feet in the lime at 7,756 feet, not yet in the upper porous.

• • •

Production Allotments

Production allotments have now been assigned by the Conservation Board to all of the seven Turner Valley wells completed during the last three months and operated "on test" during recent weeks. The allotments are as follows:

Atlas-British Dominion No. 3, production quota 6,250 bbls. per ten-day period with daily maximum yield set at 700 bbls.

Foothills No. 9, production quota 9,120 bbls. per 30-day period, with daily maximum set at 325 bbls.

Northwest Hudson Bay No. 8, production quota 10,350 bbls. per 30-day period, with daily maximum set at 380 bbls.

Northwest Hudson Bay No. 9, production quota 8,700 bbls. per 30-day period, with daily maximum 325 bbls.

Northwest Hudson Bay No. 11, production quota 14,010 bbls. per 30-day period, with daily maximum 500 bbls.

Royalite No. 64, permitted to produce at rates up to 300 bbls. per day.

Royalite No. 69, production quota 8,100 bbls. per 30-day period, with daily maximum set at 300 bbls.

When road and weather conditions permit, there is a strong probability that Imperial Oil will send a survey crew into the Wildcat Hills area to stake a well-site for immediate drilling. Wildcat Hills lies north of Cochrane, and south of the Grease Creek area in the Alberta foothills. Imperial has already done considerable geological work in the area, and holds extensive acreage.

Seek Experienced Advice On Making Your Will

Some men delay making a Will because they do not know how to go about it. Others make a hurried and ill designed Will, naming a member of the family, as Tom, Dick or Harry, as executor.

If you have not yet made a Will, or are dissatisfied with your present one, let us advise you. Our knowledge of financial and estate matters and our executorship experience can help you plan a sound Will, designed for effective protection of your dependents and beneficiaries.

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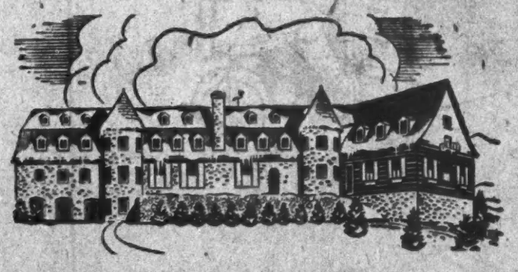

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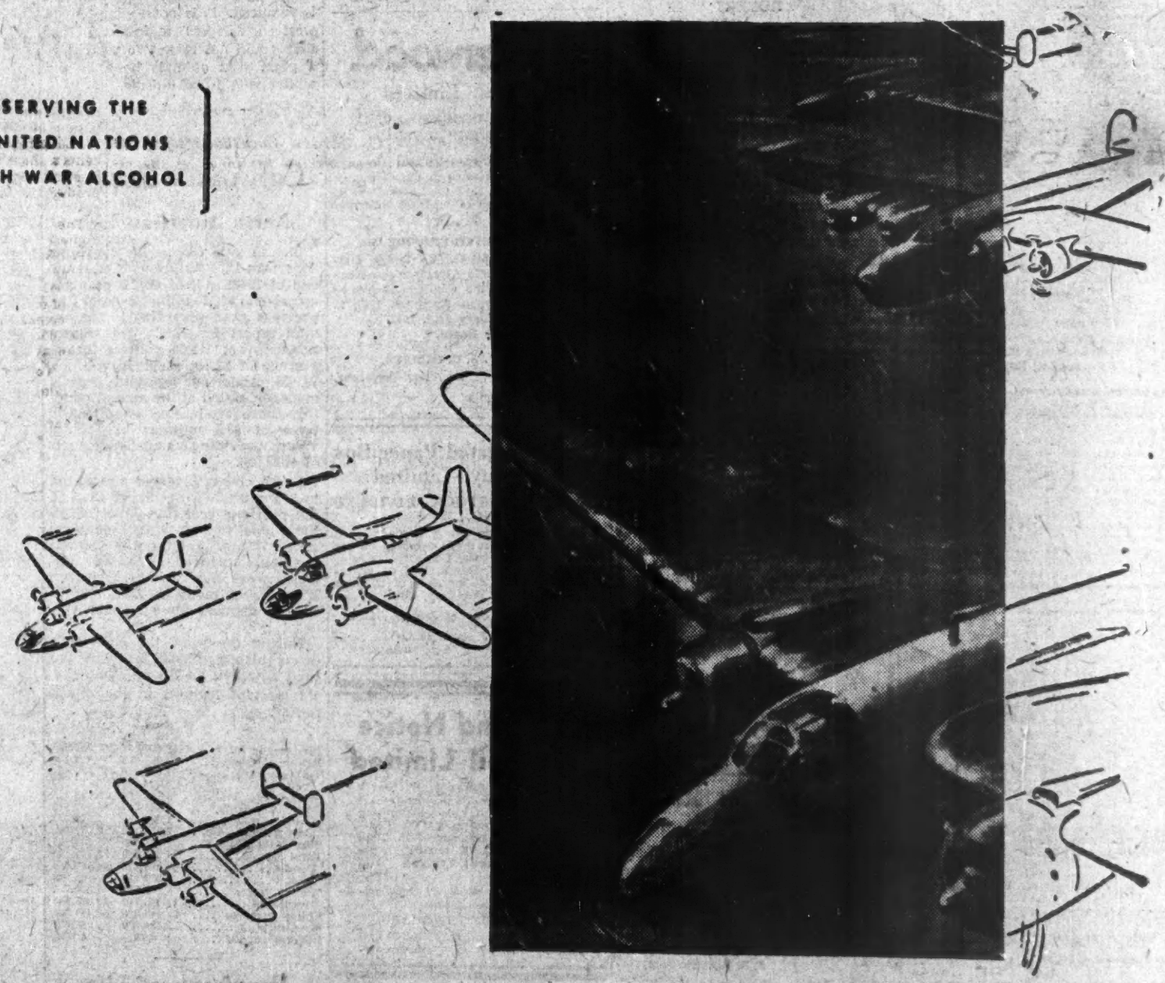

FIGHTING THE ICY HAND OF DEATH ...WITH WAR ALCOHOL

● Caught in a storm of snow and sleet, the pilot fights his controls to bring his ship safely home to base. Along the edge of his wings ice begins to form. He pulls a lever, and from the nose of his machine a thin stream of pure alcohol shoots out to be sprayed by the whirling propellers. As the alcohol settles on the wings, the ice disappears like magic. The plane rides free again . . . freed from the icy hand of death, by alcohol.

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HIRAM WALKER - GOODERHAM & WORTS LIMITED

What Steep Rock Will Cost

Engineers' Report on Financial Aspects of Project

By GORDON M. GRANT

What will the Steep Rock project cost? What will the company get for its ore?

Some information on these points was provided in a report of Hugh M. Roberts and William H. Crago, mining engineers and geologists, of Duluth, Minn., contained in a "preliminary prospectus" for a $2,250,000 Steep Rock bond issue. This prospectus, put out by Otis & Co., of Cleveland, has been withdrawn for changes.

Expect R.F.C. Loan

What officials of Steep Rock hope will be the final financing arrangements are now apparently a $5 millions loan from the Reconstruction Finance Corp. (reported approved by the Steel Division of the War Production Board but still lacking final seal of approval by others) and the $2,250,000 5½% loan underwritten by Otis & Co. for which the 48-page "preliminary prospectus" was issued on a "subject to change" basis.

The $5 millions expected from the R.F.C.—when and as received—will be in U.S. funds and will provide $5.5 millions of Canadian funds for development. The Otis & Co. loan, bonused with common stock, will provide $2,250,000 in Canadian funds, it is reported, making a total of $7,750,000 anticipated from the financing.

What Development to Cost

As the Otis & Co. prospectus was issued on a "subject to change" basis, some estimates of the cost of the project are included which do not appear likely to be altered. The report by Roberts and Crago, of Nov. 1, 1942, mentions $4,540,000 as the amount required for the development, including $1 million as a provision for working capital. It is not stated whether this means Canadian or U. S. funds but as the prospectus is an American one, it probably means the latter.

Higher Figures Given

Under the prospectus heading "Proceeds and Application Thereof," the total requirement for the development is estimated at $5,032,200, Canadian funds, including $1 million for working capital, $492,250 for interest during the development period, and a 10% contingency allowance of $290,790 on development costs.

Concerning the disposition of remaining funds the preliminary informational prospectus had this to say:

"It is contemplated that the balance of the funds, which it is estimated will be approximately $ (amount blank), will be used for additional stripping in the 'B' ore zone during the pre-production period, in order to provide for larger quantity production at the outset of mining operation, and any remainder of such funds will be available for opening up the 'A' zone with the view to conducting mining operations simultaneously in both zones.

"The amount of $410,000 tabulated above for pre-production preparation of the open pit on the 'B' zone provided for a lower initial production rate than now planned and required the stripping of only a portion of the 'B' zone prior to production, with the balance of the stripping to be undertaken as mining proceeded.

"The total estimated cost of stripping the 'B' zone is approximately $2,534,000. Any portion of the funds not required to be used as set forth above will be used for general corporate purposes."

Higher Rate Planned

As outlined in The Financial Post some weeks ago, the initial rate of production from Steep Rock is to be stepped up at the request of the War Production Board. The advance prospectus mentions an initial production rate of a million tons a year, but it has been reported that this is more likely to be two million tons a year.

Production plans are also said to have been speeded up and the Engineering and Mining Journal in its January issue states that July, 1944, has now been set as the date scheduled for a start, with a million tons of ore to be turned out that year and two million tons the next.

Figures On Ore's Worth

Still bearing in mind that some revision may be necessary in data presented, the preliminary prospectus contains information, in the report of Roberts and Crago, on the value of Steep Rock ore and the cost of mining it. On the value of the ore, the report has this to say:

"The 1942 Lake Erie price for Old Range Bessemer ore carrying 56.42% natural iron is $5.22 per long ton of 2,240 pounds, exclusive of any premiums and without any discount which may be necessary for marketing purposes.

"It is believed that at least this price can be obtained in the open market, because of the low-silica and low phosphorus content and because of the generally desirable character of the ore.

"As previously stated, it is believed that 25% of the Steep Rock production will be trade 'lump ore' which carries a substantial premium in the market and of which there is now a dearth.

"If we assume that only 15% of the ore is 'lump ore', carrying a premium of 50 cents per ton (which is much less than the usual premium) and disregard any other possible premiums for low-silica, low-phosphorus, etc., the average selling price becomes $5.30 per ton."

Allowing for the present exchange premium, and that a little lower price may be necessary to secure long-term contracts, an average price of $5.61 is mentioned for Steep Rock ore. But tests completed since Roberts and Crago made their report indicate the Steep Rock ore as the best on the North American continent and this may mean an upward revision.

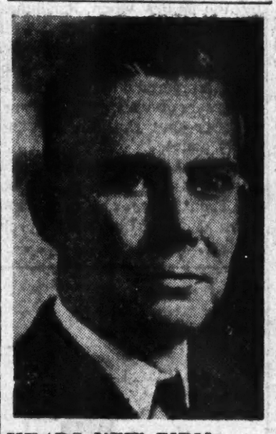
At the present rate of exchange, Roberts and Crago estimated the profit at $2.15 a ton at a million tons of ore a year or $2.37 a ton at two millions a year, with a reduction to $1.76 and $1.98 a ton with exchange at par. This profit would be before interest, amortization and profits taxes.

Through a contract entered with Premium Iron Ores Ltd., selling cost is expected to call for an increase of six cents a ton in cost and a proportionate decrease in the profit margin. Only the 18% corporation tax is expected to be paid during the first three years of production.

Annual interest on the R.F.C. loan on the proposed terms is expected to absorb $200,000 while $123,750 would be required to service the debenture issue. Both figures are in U. S. dollars.

The preliminary prospectus says the company will sell units comprising $1,000 of debentures and 250 shares of stock to the underwriter, who plans to sell $1,000 of debentures plus voting certificates representing 200 shares of stock at an unstated price. On completion of financing, 5,364,005 shares are expected to be outstanding.

Roberts and Crago estimate 25,060,473 tons of high-grade iron ore is available in the "A" and "B" zones, of which 10,682,764 tons is proven ore and 14,377,709 is probable ore. Substantial additional tonnages of prospective ore are stated to exist.



HEADS NEW FIRM

C. Gordon Cocksbutt, who has been elected president of the recently formed Cocksbutt Moulded Aircraft Ltd., Brantford. Mr. Cocksbutt is also president of Cocksbutt Plow Co., and a director of Imperial Bank and of a number of other Canadian companies.

Senator Profit About 7 Cents

Ore Reserves Show Sharp Drop in Grade But New Levels May Help

From Our Own Correspondent

ROUYN.—After allowing for all charges, including taxes and write-offs, Senator-Rouyn Ltd., is estimated to have realized a net profit of $250,000 in 1942, equal to seven cents a share.

With all indebtedness retired, and working capital understood to have been over $200,000 at the year end, ample funds are on hand for the payment of the initial dividend of three cents a share announced.

Mill Higher Grade Ore

The improved profit in 1942 was realized by mining of higher grade ore bodies above the 500-ft. level—grading 0.3 oz. gold per ton—during the second and third quarters of the year. This ore is close to being mined out; future average recovery may be nearer $7 a ton instead of the $9-$10 average of the middle months of the year.

With the shaft deepened to 1,425 ft. and new levels established at 1,000, 1,125, 1,250 and 1,375 ft., it is quite possible, however, that better grade ore at depth may serve to bring the grade of mill feed higher. (At the end of 1942, it was estimated that the 125,000 tons of ore in reserve graded 0.197 oz. gold).

Diamond drilling ahead of the depth work returned two intersections of 0.35 oz. across 7 ft. and 0.239 oz. across 11 ft. at 1,000 ft. depth, and 0.276 oz. across a true width of 30 ft. at 1,125 ft. Continuity of the zone was established to 1,650 ft. depth.

Crosscut New Levels

Mining is being carried out on all levels to 750 ft., but no stoping is under way at the 875-ft. level. Crosscuts are being driven on the 1,000 and 1,125-ft. levels. The crosscut on the former is close to the main shear zone and drift developments to the east should be under way early in February.

The operating record of the company in 1942 is as follows:

4 weeks ended:	Tons milled	Total recov.	Aver. recov.	Oper. profit
		$	$	$
Jan. 28	8,294	64,823	7.72	22,977
Feb. 25	7,592	68,104	8.19	24,345
Mar. 25	8,200	62,949	7.68	25,133
Apr. 22	8,391	98,783	11.77	39,632
May 20	8,132	85,864	10.56	44,533
June 17	8,238	86,845	10.53	46,649
July 15	8,182	77,355	9.41	40,579
Aug. 12	7,780	69,946	8.99	35,141
Sept. 9	8,275	71,369	8.63	37,094
Oct. 7	8,102	60,330	7.47	26,285
Nov. 4	7,904	58,708	7.43	19,150
Dec. 2	8,240	58,783	7.13	19,517
Dec. 31	8,009	51,536	6.43	10,997
Year*	105,701	909,567	8.60	422,619

*Adjusted.

Broulan Profit Little Changed

Earnings of more than 11 cents a share were realized by Broulan Porcupine Mines in 1942, President Bert W. Lang reports, compared with 12.4 cents a share for 1941. The reduction is attributed to a slight decrease in production and increased operating costs.

The last quarter of 1942 was the highest for the year, amounting to $277,193 from 28,978 tons of ore, an average of $9.57 a ton. Total output for 1942 was $1,038,593 from 137,701 tons of ore, an average of $7.54 a ton. This compared with 1941 recovery of $1,087,657 from 138,888 tons of ore for an average of $7.69 a ton.

Tonnage Below Normal

Tonnage milled during the last quarter of 1942 was 25% below the average for the first quarter of the year due to a substantial reduction in manpower. During 1942, a drastic reduction was made in development work and at present only one drill shift remains on this work.

Although it has been necessary to practically discontinue development, the mine is in a position to continue production for a considerable period, as ore reserves at the end of 1942 will show only a slight reduction from the 636,000 tons reported at the end of 1941.

Cash Assets High

During 1942 two dividends, totalling six cents a share, or $161,640, were paid and net current assets were increased from $78,554 at Dec. 31, 1941, to approximately $315,000 at Dec. 31, 1942. A further dividend of three cents a share was paid Jan. 15, 1943.

NAMED DIRECTOR

Russell D. Bell of Greenshields & Co., Montreal, who has been elected a director of The Cuba Railroad Co., a New Jersey incorporation. Mr. Bell is president of Jamaica Public Service Co. and Industrial Acceptance Corp., and is director of a number of other companies.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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Hollinger Consolidated hopes to have the new mill for its Kamiskotia property in operation by next June if no unexpected delays occur. It is understood work has been started on buildings. The Kamiskotia development is located west of Timmins.

Mining Concentrates

Berens River Mines production in the December quarter was higher than the previous quarter, but a little below that for the second quarter of the year:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Dec. 31, 1942	29,780	326	$17.73	$368,444
Sept. 30, 1942	21,470	233	15.84	340,023

* * *

Bralorne Mines has secured results on its Takla mercury property which warrant continuation of the programme of diamond drilling and sinking a two-compartment shaft. The property is located about 100 miles northwesterly from Fort St. James, B.C. Another mercury prospect and two tungsten prospects are also being diamond drilled. A subsidiary, Summit King Mines, in Nevada, has been forced to shut down but is actively searching for a strategic mineral property.

* * *

Dome Mines reports a slight decline in production for December, although tonnage milled was higher.

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
December	43,900	1,416	$11.96	$525,127
November	43,900	1,460	12.24	535,937

* * *

Hard Rock Gold Mines reports a lower production for the last quarter of 1942:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Dec. 31, 1942	33,240	361	$9.06	$301,278
Sept. 30, 1942	31,554	343	10.43	329,166

* * *

Macassa Mines produced slightly less in December than the previous month, although average recovery was the highest for 1942:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
December	9,578	309	$19.66	$188,351
November	9,855	328	19.21	189,342

* * *

MacLeod-Cockshutt experienced a slight decline in production the last quarter of 1942, although tonnage milled was higher:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Dec. 31, 1942	59,231	643	$11.15	$661,419
Sept. 30, 1942	58,000	630	11.77	682,566

* * *

McIntyre Porcupine Mines shares are selling in the U. S. at close to the 1942 high of $40¼ despite war difficulties, and the Wall Street Journal comments that this may be due to the fact that aside from a strong current position, the mining company has such liberal treasury assets that it may well live on its fat during the lean periods.

Besides its mining properties and bullion reserves, it is stated to have $3,581,000 of Dominion bonds, $1,699,000 U. S. treasury notes, and $1,850,000 of other corporate securities.

Other major items in the portfolio are 20,100 shares of Amerada Corp., 105,000 shares of International Nickel Co., 15,000 shares of Standard Oil of California, and 37,930 shares of Standard Oil of New Jersey.

* * *

Sigma Mines (Quebec) realized the highest production of 1942 in December:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
December	33,586	1,083	$7.87	$264,377
November	33,270	1,073	7.40	246,377

* * *

Sullivan Consolidated recorded a substantial increase in production last year. Output was valued at $1,674,871 compared with $1,364,759 the year before. Bullion shipments in the last quarter were $389,384 compared with $394,584 in the last quarter of 1941.

Public Utility Earnings

East Kootenay Power
December

	1942	1941
	$	$
Gross earnings	58,980	67,760
Operating expe.	23,754	27,393
Net earnings	35,226	40,369
Nine Months Ended December		
Gross earnings	566,883	539,128
Operating exps.	221,471	176,784
Net earnings	$45,411	$362,344

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A PROVINCIAL PAPER

EMPLOYERS ATTENTION!

National Selective Service needs comprehensive information on present and expected employment in each industry. This is needed to help plan utilization of our available human resources. A "Report on Employment" is now being required from employers to furnish basic data.

▶ **EMPLOYERS WHO ARE REQUIRED TO REPORT:**

All employers except—

(1) Farmers and horticulturists.
(2) Household employers of domestic servants.
(3) Governments, with respect to regular governmental activities.

▶ **NUMBER OF COPIES TO BE FILED:**

Three copies of the report should be completed—two copies to be sent to a Local Employment and Selective Service Office and one to be retained by the employer.

▶ **INFORMATION REQUIRED:**

Report the number of employees as of January 30, 1943.

▶ **DATE OF FILING REPORT:**

On or before February 6, 1943.

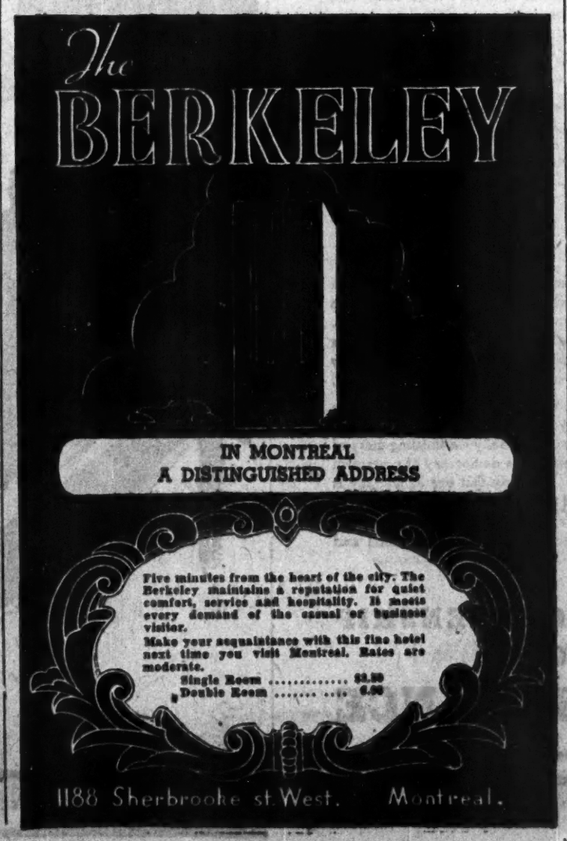
▶ **WHERE BLANK FORMS MAY BE SECURED:**

Obtain forms from your Local Employment and Selective Service Office if you have not received them by mail.

The completion of the "Report on Employment" is required under National Selective Service Regulations, 1942, (P.C. 7595), Part IX, Section 30 (g). Employers are urged to comply by February 6, 1943.

DEPARTMENT OF LABOUR

HUMPHREY MITCHELL, Minister of Labour — A. MacNAMARA, Director of National Selective Service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THE

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INSURANCE COMPANY

HEAD OFFICE - TORONTO, CANADA

Established 1887

FINANCIAL STATEMENT FOR THE YEAR ENDING
31st DECEMBER, 1942

ASSETS

BONDS		
Government and Government Guaranteed Securities	$100,389,294.16	
Municipal and Other Public Body Securities	29,436,161.65	
Public Utility Bonds	18,022,548.40	
Other Corporation Bonds	10,385,149.10	
		$157,833,993.41
PREFERRED AND COMMON STOCKS		
Preferred Stocks	$ 4,970,546.76	
Common Stocks	7,360,937.51	
		12,331,484.27
FIRST MORTGAGES ON REAL ESTATE		
Urban Properties	$ 17,077,194.94	
Farm Properties	4,887,477.69	
		21,964,672.63
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		18,165,663.05
HEAD OFFICE PROPERTY, OTHER REAL ESTATE AND SALE AGREEMENTS		
Head Office Property	$ [illegible]	
Other Real Estate	2,704,129.92	
Sale Agreements	2,121,992.45	
		6,826,122.33
CASH ON HAND AND IN BANKS		2,691,220.66
TOTAL LEDGER ASSETS		$214,636,653.44
OTHER ASSETS		
Interest due and outstanding	$ 84,365.51	
Interest accrued but not due	2,844,229.44	
Deferred and outstanding premiums	4,041,011.35	
		6,449,146.30
		$221,133,779.74

LIABILITIES

POLICY AND ANNUITY RESERVES	
The actuarial liabilities of the Company in respect to its policy and annuity contracts	$182,868,719.00
DEATH AND DISABILITY CLAIMS AWAITING PROOF	
Claims of which the Company has received notification but for which the necessary documents are not yet complete	2,500,781.94
PROVISION FOR UNREPORTED DEATH AND DISABILITY CLAIMS	
A reserve fund for death and disability claims which may have occurred but notification of which has not been received by the Company	900,000.00
FUNDS ON DEPOSIT	
Policy proceeds and dividends left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	10,320,696.82
RESERVE FOR DIVIDENDS TO POLICYHOLDERS	
Policyholders' dividends to be paid during 1943 and provision for accrued dividends under quinquennial and other deferred dividend policies	2,266,000.00
OTHER LIABILITIES TO POLICYHOLDERS	
Amounts deposited for payment of future premiums and miscellaneous credits to policyholders' accounts	5,307,304.06
STAFF PENSION FUNDS	
The accrued liability of the Company in respect to the pension funds to which the Company and its employees jointly contribute	1,744,197.31
GOVERNMENT TAXES ACCRUED	
Provision for Federal, Provincial and State taxes payable in 1943	560,494.00
SUNDRY LIABILITIES	
Accrued rents, salaries, commissions, agency balances, etc.	1,165,629.05
SHAREHOLDERS' FUND	
Fully-paid capital stock of $1,500,000 plus balance standing to the credit of the Shareholders' Account, including provision for taxes and for dividend payable January 2nd, 1943	2,510,121.06
CONTINGENCY RESERVE	3,500,000.00
SURPLUS	6,776,346.78
	$221,133,779.74

J. H. LITHGOW,
General Manager.

AUDITORS' REPORT TO THE POLICYHOLDERS AND SHAREHOLDERS

We have examined the above balance sheet of The Manufacturers Life Insurance Company as at 31st December, 1942, and in addition have made periodic test audits of the transactions throughout the year. We confirmed the bank balances and securities (valued within the requirements of the Dominion Government) representing the company's investments in bonds and stocks by actual inspection or by certificate from the depositories, except bank balances and securities in enemy countries or countries occupied by the enemy, which, however, are less than the liability to policyholders in those countries. The reserves and other liabilities under policy contracts are stated at the amount certified to by the Company's Actuary.

We have received all the information and explanations we have required and, subject to the foregoing, we report that in our opinion the above balance sheet and related cash statement have been drawn up so as to exhibit a true and correct view of the position of the Company as at 31st December, 1942, and a correct summary of the cash transactions for the year ended on that date according to the best of our information, the explanations given to us, and as shown by the books of the Company.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

Toronto, January 16th, 1943.

BOARD OF DIRECTORS

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F. G. OSLER
Vice-President

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A. L. BISHOP — J. H. LITHGOW
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LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Gilbert Tucker

LONDON: In spite of the hold-up in Tunisia, the menace of the U-boats, the splendid sweep of the Russians and the discussions over the Beveridge Report, London is finding time to worry about the stranglehold which America is securing over the British Stage and Screen. In wartime, London remembers more than ever that it is the heart of a great Empire and that young men from the Colonies and Dominions are making their first pilgrimage to the Imperial Mecca.

When these boys get leave they make for London town and naturally they want to see the shows or take their girl friends to a cinema. In the latter case we give them a chance to see Mr. Gable, Mickey Rooney, Miss Crawford, Mr. Cagney, Miss Rogers (what a brilliant actress she is!) Mr. Bogart, Miss Garland, Mr. Astaire, and the rest of Hollywood's stars and starlets. Occasionally a British film shoves its way on to the screen, and in some cases like Coward's "In Which We Serve," does extremely well, but broadly speaking the British cinema has been handed over lock, stock and barrel to American pace, American humor, American psychology and American background.

And in fairness let it be admitted that Hollywood maintains a very high entertainment level.

Slow Surrender

For a long time the British stage refused to surrender as the cinema had done. After the last war we had such playwrights as Knoblauch, Barrie, Galsworthy, Shaw, Arnold Bennett, Somerset Maugham, the very young Noel Coward, Clemence Dane, J. B. Priestley, R. C. Sheriff, and others who rescued the stage from the tawdry depths into which it had fallen in the last war. In fact so formidable were the British playwrights then that Broadway complained that the American drama was being crowded off the stage in New York.

Now the picture is completely reversed. The influence of the cinema was bound to be felt. People who go twice a week to the pictures become tuned to the sound and pace of American production. When they visit the theatre they want the same thing. Let us look then at the situation of the drama, that is the "straight plays" in London today.

Here is the American list:—

Claudia.
The Man Who Came to Dinner.
Watch on the Rhine.
The Petrified Forest.
Arsenic and Old Lace.

Three more American plays are in process of production which will bring the list up to eight.

In the musical shows there are:

Du Barry was a Lady.
Let's Face It.
The Belle of New York (revival).

By the summer I expect that there will be at least fifteen American shows in London with managers burning the cables to try and secure any new hits Broadway may develop.

* * *

African Revenge

Americanization of British entertainment does not end there. The most popular feature of the BBC programmes is the dance band. I have no idea how many hours a day are given over to the tom-tom music of the swamp and jungle—the music of jazz which is the African's revenge over the white man.

The British genius for light music, whose greatest exponent was Sullivan—has not renewed itself or is out of fashion. The lilting gaiety of the Savoy Operas has been replaced by the crooning imbecilities of syncopated sentiment.

Only in one aspect of the popular arts does Britain hold her own. In the realm of classical music her young composers are the best in the world. For ten years there has been nothing in any country to equal the vitality of the younger school of British composition. The British people as a whole do not know this, for they are inclined to demand genius with a beard, but there is a growing and understanding public for these new compositions.

* * *

Lloyd George Resurgent

Lloyd George will be 80 in a few days. Already he is receiving such tributes as usually only come to a man a century after his death. Admittedly the growing adoration of the "Happy Warrior" is influenced by his reaching the 80 mark. Thomas Hardy was not regarded as a genius in his middle years but when he lived to be 80 the nation knew that he was a great author and buried him in Westminster Abbey. If Sir William Mulock lived here he would be the toast of the whole country.

Lloyd George did his best between the two wars to ruin his own prestige but just failed. Now those indiscretions are forgotten in contemplation of his immense services to the nation up to 1918. Nor is it only for his indomitable leadership in war that people remember him. His brave fight to bring in social security for the workers, a fight which brought him a life-long heritage of hatred, is seen now as the awakening of the social conscience. A few years ago we were saying that Lloyd George would not live again until he died. On his 80th birthday he is confounding the prophets once more.

* * *

The Littler Georges

So much for David Lloyd George. What about the David Lloyd George who will also have a birthday later on this year?

He is 19 years of age, slight of build, soft voiced, humorous and with much more than his share of charm. David is the elder son of Major Gwyllim Lloyd George who is the only son of Lloyd George.

Gwyllim went to Eastbourne College—so did young David. Gwyllim went to Jesus College, Cambridge—so did David but he got a scholarship. Gwyllim joined the Artillery in the last war—David has done the same in this. Thus do sons follow in their father's footsteps. Incidentally Lloyd George has another grandson in the war, Robin Cary Evans who is training with the Royal Air Force in Canada.

* * *

Griggs in Hot Water

Politics, like every other profession, require training. That is why businessmen's governments always fail. Sir James Grigg, the Secretary of State for War, is the latest proof of this adage. He was the Permanent Civil Service Head of the War Office for some years and was therefore on the fringe of politics, yet when Churchill made him the political chief he showed his inexperience from the beginning.

Now he is in trouble because of a War Office order that soldiers, in their study classes, must not discuss the Beveridge Report. It is difficult to realize how he could have blundered into so controversial and indefensible a mistake. By this time the Army would probably have forgotten the report, but now, as the forbidden topic, it is the one thing soldiers want to talk about.

Sir James will be knocked about by the M.P.'s when Parliament next meets and he will have a difficult task to defend himself. Unfortunately he is inclined to be short tempered and impatient—long years of authority breed such qualities—but the House is not easily daunted.

In private conversation Grigg is unconventional and amusing but as a Front Bencher he must be put down as one of Churchill's "problem" Ministers.

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Canadian Vickers Ltd. has notified holders of the 6% mortgage 20-year bonds, Series "A," that the coupons due Aug. 2, 1940, and on Feb. 1, 1943, will be paid on the latter date. Following this payment, arrears on the bonds will amount to 15%.

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C.P.R.

It would be appreciated if you would let us have your views on the Canadian Pacific Railway. We are interested in the ordinary shares.

Canadian Pacific Railway's position has strengthened in the last four years. The company has been able to effect a substantial reduction in funded debt and interest charges, and at the same time improve net working capital position. The war has created a record volume of business for the company and earnings for 1942 are expected to total around $2.25 a share, a gain over those in the preceding year. In so far as the ordinary shares are concerned, there is no official indication of any dividend being paid in the immediate future.

The policy of the board appears to be one of conserving resources in view of the difficulties of carrying out any refunding operations to take care of maturing obligations. There is also the need of conserving resources for the readjustment period after the war. While this policy has been disappointing in some quarters, the fact remains that the position of the ordinary shareholder has improved substantially. In the prewar years, the company found difficulty, as did all the railways in Canada, in establishing anything like an adequate earning power. For the immediate future, however, such earnings appear assured.

Robert Mitchell

As a subscriber to The Financial Post, would you be good enough to let me have your opinion on the common stock of the Robert Mitchell Co.

Robert Mitchell Co.'s position has undergone a marked improvement since the outbreak of war. In 1941 profit on operations amounted to nearly $2.3 millions compared with $492,971 in 1940. Net profit totalled $384,610 as against $148,067 the year before. As a result of the improved earnings, the company paid a dividend of $1.50 a share, as against 50 cents for 1940.

Increased earnings for 1942 are reflected in the fact that the company paid dividends totalling $2 a share. For the duration, volume of business handled by the company should continue at a high level as it is understood that the profit base allowed to the company will provide sufficient net earnings to pay satisfactory dividends.

Consolidated Paper

I would like to know if the bonds of Consolidated Paper could be considered a safe investment with respect to principal as well as interest.

Consolidated Paper bonds represent an interesting businessman's purchase. The fact that this security is selling at a substantial discount indicates that there are some speculative features surrounding the bonds.

Under present restrictions of output and rising costs, it is doubtful if revenues for 1943 will be as large as they were in 1942. On the other hand, it is possible there will be an increase in the selling price of newsprint which should help to re-establish earnings of the company.

It is somewhat difficult to appraise the position of these bonds as we do not yet know the base upon which profits have been established for purposes of income tax and excess profits taxes. Indications are, however, that revenues should be sufficient to take care of interest charges on the first mortgage bonds.

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When the nurse came out with a big smile and said: "It's a boy," George could have kissed her. But later, when the doctor told him, with a grave face, that he couldn't go in yet, he sat waiting in a daze of fear.

Even when the danger was past and Ann came home with the "family," George kept talking of those awful minutes when he thought he might lose her.

"It would be worse if I lost you," said Ann, "and especially now."

"We'll simply have to save more, that's all," said George.

"But how can we, with all these bills coming in?"

"We've got to, Ann. On top of our insurance we'll have to put more into war savings. I can't remember the marriage service, but didn't I say, 'To love, cherish . . . and protect . . . till death us do part'?"

☆ ☆ ☆

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Bank of Nova Scotia Assets at New High

Earnings Per Share Slightly Lower at $11.67; Investments Up $28 Millions From 1941; Total Deposits Higher at $345 Millions

Like the reports of the other banks which have preceded it, the annual statement of the Bank of Nova Scotia for the year ended Dec. 31, 1942 reflects the effect of the government's war financing and higher taxes.

Unlike many of the other banks, it shows current loans both in Canada and elsewhere above the previous year's levels.

Profits for the year after deducting Dominion taxes were $1.8 millions compared with $1.9 millions the previous year. After deducting $210,000 for officers' pension fund and $250,000 written off bank premises, net profits of $1.4 millions was left equal to $11.67 per share compared with $12.31 the previous year. On total shareholders' funds including capital, reserve and profit and loss balance, the earnings equalled 3.7%. Dividends took slightly less than in 1941 owing to the reduction in the dividend rate which the bank, like most Canadian banks, put into effect after the increase in the excess profits tax.

Comparative figures for the two years follow:

	1942	1941
	$	$
Profits*	1,860,263	1,935,602
W/o premises	250,000	250,000
Pension fund	210,000	205,000
Dividends	1,390,000	1,440,000
P. & L. bal for year	20,262	40,602
Earned per sh.†	11.67	12.34
Paid per share	11.50	12.00

*After appropriations for contingent accounts including provision for bad and doubtful debts and after Dominion taxes of $1,357,773 in 1942 and $1,081,949 in 1941. Of 1942 taxes $70,076 is refundable under the excess profits tax.
†After premises write-off.

Assets of the bank exceeded $410 millions, an increase of over $30 millions on the year. Noticeable among the assets was a rise of over $28 millions in Dominion and provincial securities, mostly the former it is believed, reflecting in part at least, investments of the bank in Dominion war and Victory loans.

A rise in current loans in Canada was probably due in part to borrowing by investors to purchase Victory bonds during the campaign in October and November. Current loans outside Canada were also higher. Call loans in Canada were up slightly the result of increased stock market activity in the latter weeks of the year.

Cash Position

The bank's cash position continued strong with cash, clearings and amounts due from other banks over $89 millions. This represents 23.87% of the liabilities to the public. Cash and balances with the Bank of Canada alone represent 11.9%. Total quick assets, including the above items with investments and call loans represent 66.10% of liabilities to the public compared with 63.10% last year.

Government expenditures for war equipment boosted the deposits of various corporations during the year. Accordingly demand deposits were up more than $23 millions. Interest bearing deposits were about unchanged from a year ago notwithstanding substantial withdrawals made during the year for two Victory loan campaigns.

Important items in the balance sheet for both years follow:

Assets:	1942	1941
	$	$
Cash & cash items	44,483,637	43,123,360
Cheques, etc.	15,775,203	15,208,380
Due fr. other bks	28,043,881	22,116,674
Govt. securities	137,251,837	109,433,236
Other securities	23,208,544	23,682,958
Call loans	4,536,536	3,970,355
Total liquid assets	254,163,859	216,535,965
Current loans	134,859,259	119,752,156
Other loans	1,916,188	3,941,397
Letters of credit	21,344,614	31,462,174
Bank premises	5,607,080	5,673,584
Other assets	3,674,971	2,615,286
Liabilities:		
Note circulation	5,033,216	6,188,967
Deposits:		
Public no interest	130,387,563	107,570,071
Public int. bearing	180,413,570	180,412,331
Government	26,380,848	9,888,928
Other banks	8,009,573	6,306,007
Capital reserves and surplus	37,386,755	37,366,483

Tungold Mines has acquired the main claims of the Jack Nutt Syndicate in the Herb Lake area, Man., and a programme of diamond drill exploration is planned. Trenching and channel sampling has already been carried out, revealing values in tungsten and gold, it is stated. A shipment of tungsten ore was made from the property last fall and further shipments are planned.

NEW PRESIDENT

George M. Kellam, who has been elected president of Thermos Bottle Co. after serving 34 years as managing director for the company. He succeeds R. J. Copeland, who is retiring.

War Production Patterns Shift Rapidly Today

(Continued from page 27)

they will encounter the fact that already prewar engineering manufacturers have in the meantime expanded their plants, are equipped with just the type of machine tools they have long wished for and have acquired for war production, and these firms have, during the war, been strengthening their connections with customers and prospective customers.

The aircraft industry will encounter the fact that before the war the United States had something like 1,000 commercial planes of all types. There are now military types which have been developed directly from peacetime types, and which are turned out at a rate that would produce five, or eight, or ten times this amount, perhaps 80% of each aircraft directly applicable to peacetime operation, in four or six months. If this were done, and the entire economy saturated, only renewals and maintenance would be necessary.

One of the suggestions brought forth for the peacetime operation of large arms production plants is to operate them with a single-unit skeleton staff, moving from one production line to another in turn so that all machines are used once in a while, and so kept in condition against the next time they may be needed.

Changes in machine tools, methods, and weapons between 1918 and 1939 would to a considerable extent have nullified the effectiveness of this plan.

Central Plants

However, one extension of this thought that suggests possibilities is to combine, for postwar keeping alive of the techniques, all small arms production in one master plant, perhaps at Long Branch, Ont. No. 4 and Boys rifles, and Sten, Bren, Browning and Vickers machine guns, together with any new similar weapons which might be introduced, would offer ample scope for an important organization. Artillery, both field and naval, could occupy the attention of a Canadian Woolwich.

There are, of course, many directions in which Canada might look to expand; there will be a need for reconstruction overseas which Canada will be in a position to undertake almost immediately; there will be ships and sailors to carry goods from this side across, there will be sources of raw material, such as aluminum plants, steel mills, and behind these mines and other plants able to supply necessary materials in huge volume.

At home, too, there will be reconstruction; the building of new housing, because there will undoubtedly be a large movement "back home" by people who have moved to other municipalities to undertake war jobs, and who will be in a position to need new housing.

The Human Assets

To cope with these needs, we will have, as compared with prewar conditions, a large number of men with proven management-experience in large plants, we will have new experience in dealing with personnel relations; thousands of men and women who ordinarily would not have had such a chance, have proven themselves capable foremen, leaders, and teachers.

We will have manpower, machine power, natural resources, management, capable of anything. It is the natural duty of management, if it wants to keep its job, to build up markets to make use of these talents and newly expanded resources. Management must remember that government has also been acquiring skill in operating business—and a taste for it may linger.

Moneta Porcupine Mines realized an estimated net profit of $47,343 or 1.9 cents a share in the three months ended Dec. 31, 1942, before allowance for outside exploration. Production is now declining as cleaning-up operations near an end.

Say Lead Supply Easier Canada Selling Less

U. S. Now Has Stockpile and Can Meet Requirements; Lead Ore With High Zinc Ratio Being Treated in Dominion

While stockpiles of lead have been built up in the United States and consumers' requirements can now be met, it is reported that the Canadian supply of lead has dropped.

American Metal Market discussing the situation, says:

"In the case of Canadian lead, it is well known that supply has diminished considerably in the last half of 1942 and in fact there has been no excess in recent months which Canada could afford to export because of its own mounting needs. Stringent control has necessarily been applied in the Dominion not only over primary lead but secondary and scrap grades as well.

Practically all the lead turned out in Canada comes from the Sullivan mine of Consolidated Smelters at Trail. Much more than Canada's own requirements are produced and the bulk is shipped to the United Kingdom.

When lead became scarce in the United States, Consolidated Mining & Smelting Co. started shipping to the Metals Reserve Co. and thus entered the United States market.

It is possible that stockpiles have been shipped, and that little current production remains over after taking care of Canada and the United Kingdom's requirements.

Since zinc became the scarcest of the non-ferrous metals, Consolidated Smelters has been concentrating on treatment of ore with a high zinc-lead ratio. This may have had the practical effect of lowering somewhat production of lead while having the desired effect of stepping up zinc output.

Car Financing Drops Sharply

Financing of new and used motor vehicle sales in 1942 declined 64% in number and 71% in dollar volume from the 1941 totals of 182,419 vehicles and $84,716,783, to 65,702 units and $24,380,724, the Dominion Bureau of Statistics reports.

In Dec., 1942, 2,546 vehicles were financed to the extent of $810,858, a drop of 64% in number and 74% in dollar volume from the previous year. Figures for Dec., 1941 were 7,140 vehicles and $3,140,135.

New vehicles financed during 1942 totalled 7,382, with a value of $6,170,472, a decline of 82% in both cases. Only 51 vehicles were financed in Dec., 1942, for $48,888 a drop of 97% from the same month in the previous year.

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This advertisement is addressed to the Canadian people who have been asking the questions shown below. As brewers we have an established position in industry and in Citizenship. We feel duty bound to place the plain facts before the public because the prohibitionists are, as in the past, using WAR as a means of forcing their will on the people of Canada, with absolute prohibition their ultimate goal.

Some Plain Talking About

THE BEER SHORTAGE

WHAT IS THE EXTENT OF THE SHORTAGE?

(*Answer*) The available supply of beer under the new regulations is less than 70% of today's demand with the expectation that the demand will become greater as time goes on.

WHAT HAS CAUSED THE SHORTAGE?

(*Answer*) The Dominion Cabinet by Order-in-Council has restricted the quantity of beer which may be sold between November 1, 1942 and October 31, 1943.

WHY DID THE CABINET DO IT?

(*Answer*) It is believed the Cabinet did it without careful study and principally to placate the prohibitionists who, by means of a powerful lobby, misrepresented conditions to the Prime Minister. In placating that element of society the Government was placating the same class of people who, years ago, did everything they could to prevent Sunday street cars, who more recently have denounced the sending of beer to the very soldiers who, in the blistering heat of North African deserts, were fighting to preserve the liberties of the people back home; and who in their narrow-mindedness have effectively blocked proposals to have our picture theatres opened on Sundays for the benefit of enlisted men on week-end leave; who also even spread the false story that sugar is used in the brewing of beer in Canada.

WAS IT NECESSARY?

(*Answer*) Beer has long been regarded the people's drink in the free democratic countries of the world. Canadian consumption has been low in relation to consumption in Great Britain and the United States.

Consumption 1942

Canada . . . . . 100,000,000 Imperial Gallons, equivalent to 1.3 pints per capita per week.
United States . . . . . 1,750,000,000 Imperial Gallons, equivalent to 2.0 pints per capita per week.
Britain . . . . . 700,000,000 Imperial Gallons, equivalent to 2.3 pints per capita per week.

Beer is brewed from Canadian ingredients which are in plentiful supply and not required for the war effort. Canadian beer contains no sugar. Tea, coffee and sugar are transported to Canada by sea and their curtailment has been made necessary only by a shortage of ocean shipping.

WHAT WILL BE THE CONSEQUENCES?

(*Answer*) Many of the evils of the prohibition era will return. Many of our soldiers, sailors, airmen and war workers are already being deprived of the nourishment and relaxation provided by a glass of beer.

WHAT IS THE REMEDY?

(*Answer*) In a democracy a government is the servant of its people. Governments are not infallible and from time to time, acting on bad advice, make mistakes. Whereas they should be quick to correct such mistakes, experience has shown that they are slow to do so unless the force of overwhelming public opinion makes itself known. The remedy in this case, therefore, is in the hands of the people of Canada, who believe in tolerance and moderation, to take every opportunity to publicly and privately express themselves against the Government's too drastic restriction of the sale of beer. Otherwise a fanatical minority will be able to continue to impose its wishes upon a tolerant majority.

In the last war (1914-1918) the British Government cut the production of beer but the indignation of the munition workers was so great that it had to be restored in order to maintain production.

HAVE WE PUBLISHED THIS ADVERTISEMENT BECAUSE WE FACE THE LOSS OF PROFITS?

The answer is: *Emphatically NO!* This Company's profits are not at stake because we are even now heavily into the 100% Excess Profits Tax category and any additional volume would only further wear out our plant without any compensation to our shareholders. We are making the fact known because we sincerely believe that the present shortage of beer is unnecessary and is not in the interests of true temperance, the maintenance of morale, and war production.

Canadian Breweries Limited

THE REGINA BREWERIES LIMITED
BRITISH AMERICAN BREWING CO. LIMITED
CANADA DRY BREWERIES LIMITED
THE CARLING BREWERIES LIMITED
COCKBURN'S DOMINION BREWERY LIMITED
O'KEEFE'S BREWING COMPANY LIMITED

Our Merchant Ships

Can We Have a Great Postwar Fleet?

Answer Is Yes, If We Cut Construction Costs, Adopt Sound Policies

Thomas C. Steven, editor of Canadian Shipping and Marine Engineering News, approaches the postwar shipping problem with a background of many years shipowning and shipbuilding experience. Born in Scotland, he has had ships in coastwise as well as transoceanic service, both fields which will prove vital to North America's coming shipping problem.

By THOMAS C. STEVEN

Canada is turning out a 10,000-ton merchant ship every three days, is employing thousands of men in her shipyards. At present every ton of shipping is needed in the shortest possible time. But, when the war ends, where will our shipyards stand?

The answer will be determined by whether we can get construction costs down to a level comparable with those, for instance, in the United Kingdom, and also by whether we adopt sane and sound regulations which will foster the growth of a large mercantile marine and enable it to operate profitably.

For a period, after the war, there will be so much freight offering that everything which can float will be used, but this will not be permanent. If our merchant fleet is to move our own products across oceans, is to be a factor in long-range prosperity, we should already be taking steps to consolidate its position.

That thought is being given this subject now by the United States is evidenced by the formation of the American Maritime Council, with functions stated as follows:

"To survey all the factors relating to the future of American shipbuilding and shipping, and developing plans and recommendations relative to the future of both industries."

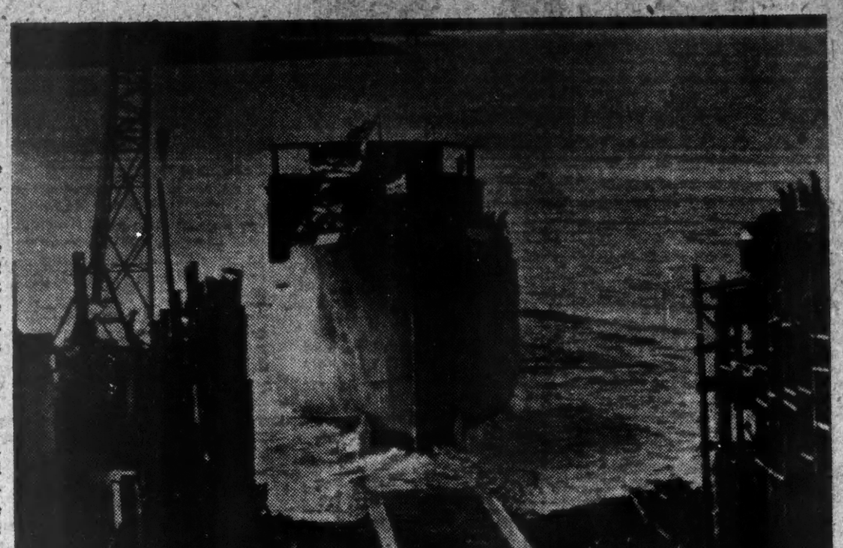
The U. S. Maritime Commission is now altering the design of their "Liberty" ships to give them more length, breadth and engine power. This will have the effect of making them more light-draft vessels, enabling them to enter many ports which cannot be entered with heavier draft.

Canada should consider a similar change. While it might have been desirable to turn out ships of the present design in earlier phases of the programme, there is now no reason for building craft which are not likely to be commercially profitable after the war.

The United States is stepping up the speed of their "Liberty" ships, but it is doubtful whether this will add to their postwar utility—whether tramp ships of this size can operate at high speed and show a profit. More speed means a much higher operating cost, which will not be offset by any extra freight. It is probable that the speed our 10,000 tonners are now being given, 10-11 knots, is the most practical for normal commercial operations.

The disastrous results of all attempts made by the United States after the last war to compete successfully in the sea carriage of international trade must clearly point to some other reason than unsuitable tonnage. No one can seriously suggest that the shipyards in that country are unable to deliver vessels to any specification put forward. The magnificent showing during the last 12 months proves this definitely and conclusively.

The U. S. Shipping Board, formed after the last war to operate the vessels built in 1917-19, left a record of staggering losses when it was finally decided in 1925 to call it a day and retire from the business of government ship-operating. It sold what had cost the American taxpayers more than $100 millions for approximately $1.5 million, to Henry Ford, to be broken up for scrap, with a record of never having operated any year at a loss of less than $50 millions.



This picture shows launching of the first 4,700-ton cargo vessel at Pictou, N.S., and is the first of 18 similar ships now being constructed in Canadian shipyards. This is a size and type that will fit in well with postwar transportation needs.

Canadian Tonnage

Canada also sold her government-owned war-built tonnage at considerable loss, and wisely retired from ship-operating except for one small profit-earning line to the West Indies managed by the Canadian National Steamships Ltd.

As Canada is closely linked to the United States in maritime affairs, construction costs of tonnage being similar and operational lines following practically on the same pattern, the diagnosis of what is wrong and the solutions suggested will apply equally to both countries.

Since the dispersal in 1925 of the fleet of steamers controlled by the U. S. Shipping Board, there has been a persistent hankering in marine circles for a merchant marine which would be active in transporting the immense output of American-made products to all corners of the world. The desire was and still is a legitimate one, but the methods of carrying it out did not bring successful results, financially or otherwise. To get tonnage built and operating in international trading under the Stars and Stripes seemed to be the one dominant desire, no matter what the cost was to be.

Up till the commencement of this war there were three fundamental reasons for the failure of the American Merchant Marine to participate in international trade, and one reason only why the immense possibilities for developing coastal services did not appeal to American ship owners. The three reasons were:

1. The high cost of construction and operation compared with other maritime countries.
2. The laws and regulations affecting steamship operations.
3. British shipowning interests.

High Costs

Taking the above reasons in the order stated, the facts are:

1. Construction in Canada and the U. S. is more than double the cost of building in Great Britain. The 10,000-ton cargo vessels now being constructed in Canada on what practically amounts to mass production methods are costing approximately $1.7 millions each, and the Liberty ships in the U. S. in the neighborhood of $2 millions. In contrast to these figures, a well-known firm of shipbuilders in Scotland offered within the last 12 months to build for Canadian owners a similar 10,000-ton vessel, but to slightly better specifications, for £180,000, equal to a little more than $800,000. Delivery was guaranteed in ten months from signing of contract, and this price was for one vessel only, not 300 as the yards in Canada are now busy constructing, and 150 a month in the U. S.

Legal Problems

2. The laws and regulations in the U. S. A. and to a similar extent in Canada have legislated the steamship operating industry out of business in the international markets.

Take the White-Jones Act for instance, which was passed in the United States after the last war. Every American shipowner is obliged by this act to pay the crews of his steamers just three times more than any of the European maritime countries pay for the same work. Crews of American ships work only eight hours a day in place of 12 hours worked by British and European crews, which means carrying a crew to work three shifts every 24 hours instead of two. A third more crew at three times the wages of other countries requires considerably larger earnings, which are not obtainable in competition with international shipping.

When steamship tonnage in the United States reverted to private ownership after dispersal of the Shipping Board fleet, the government brought in legislation to allow an advance of 80% of construction costs to owners, with repayment out of profits spread over 20 years. Presumably the government had a first mortgage on any vessels built on this arrangement, but what action was taken when an owner was unable to make payments when due has not been learned.

This arrangement, while it provided most of the capital required for building, made no provision for earning the necessary profits to repay the capital sum, so it was not long before the government instituted the arrangement to pay extraordinarily large sums to American shipowners under the heading of "Mail Contracts." This was simply a subsidy, but describing this subsidizing of U. S. Merchant tonnage as "Mail Contracts" probably helped the taxpayers to swallow the pill.

The British Angle

3. To say that British shipowning interests were a contributory cause in the failure of American tonnage to compete internationally, perhaps requires some explanation.

British shipowners, for more than a century, have been carrying the bulk of the world's merchandise, and in the passing of time have built up regular trade routes, carefully protected by Conference arrangements to keep out competition. The deferred rebate system was the principal means of attaining this end. By this arrangement, shippers were required to pay an additional percentage on every freight, usually 5%, described on bills of lading as "primage." This primage charge was collected and held by the shipowners for six months and if merchandise were shipped by any other competing line of steamers on the same route during these six months, the sum due for rebate was forfeited.

It is now several years since the U. S. Government ruled that this system of deferred rebates was illegal, so instead of this arrangement the Atlantic Shipping Conference, for instance, decided that two rates would be quoted for every class of cargo carried—one much lower than the other if the shipper signed a contract for a year binding him to ship all his goods only on lines within the Conference.

The Conference Lines were able to give fast and efficient service, and it will readily be seen how difficult it was for any American shipowner to utilize his vessels between ports served by the different Conferences, especially when his operating costs were also much higher.

To see 100% British-owned steamers arriving in New York regularly every week and loading completely with merchandise manufactured in the U. S. A. for delivery, say, to South American ports, must naturally create the desire on the part of American shipowners to get at least a share of their own business.

Rear-Admiral Vickery, Vice

(Continued on page 35)

We're building a 10,000-ton merchant ship in Canada every three days, and shipyards on both our coasts hum with activity, provide jobs for thousands of men.

After the war, will these yards be silent, or will they continue as going concerns, as sound and profitable industries?

The answer lies in whether we can get construction costs down to a point where we can compete with other shipbuilding nations, and on the adoption of a code of regulations which will advance the interests of our merchant fleet, put operations also on a competitive footing.

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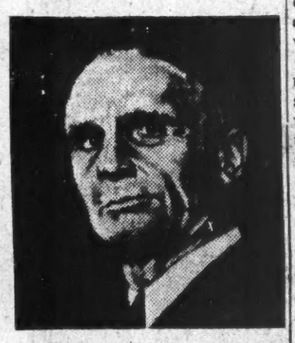

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Read this intimate account of the farm boy who rose to be Conservative leader of Canada. See this granite-hewn Canadian at work on his farm; his four sons, two of whom are in the armed forces; his charming wife who does much of her own housework. Has Bracken the stuff of which prime ministers are made? Read John Bird's article in February 1st Maclean's.

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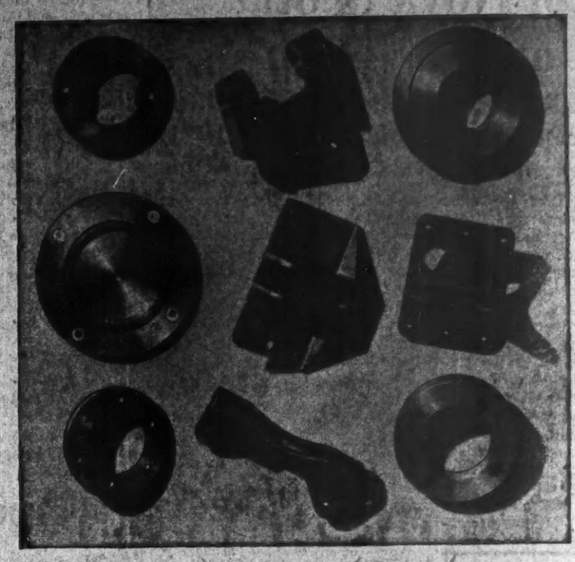

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The following departments of our company are available immediately for your requirements. Communicate with us today for full information.

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For dependable work at reasonable cost, and deliveries on time—put your problems up to us. Since 1939 we have been assisting prime contractors in meeting their production schedules, and on the most difficult assignments we have made shipment of the finished work on time and to the required standards.

Manufacturers who have been working extensively with sub-contractors tell us that our service is notable for the ease with which our facilities can be synchronized with their production flow—supplementing it promptly and efficiently—without time or attention on their part after the initial explanation and placing of the order.

Our factory is complete with trained men and the machinery for the precision manufacture of many parts; for sub-assembly work requiring light structural steel, welding and machine assembly work. A capable engineering staff directed by an alert management is at all times ready to assist with your production problems.

Whether your needs be large or small, we will be pleased to work with you on any of your problems. Your enquiries are invited and we will assure you of a prompt response and careful attention to the details of planning for your requirements.

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PROPELLERS BY S&S

DESIGNED MANUFACTURED SERVICED

The 10,000th S & S Propeller was delivered to the Royal Canadian Air Force, on January 21st, 1943.

S&S AIRCRAFT LIMITED WINNIPEG

Labor Goals

What U. S. Labor Is Seeking

Wants Voice in Management, Share in Profits

Objectives of labor in the United States are a voice in management, a share in profits, a ceiling on incomes and a sound peace. These briefly are the findings of the latest survey of Fortune Magazine to appear in the forthcoming issue.

Workers feel somewhat better off than they did a year ago, and they see after the war improved prospects for getting ahead. They are fairly well satisfied with their wages and working conditions.

They regard unions as benefiting and are inclined to credit at least a majority of union leaders with honesty and fair dealing, yet they also believe that employers want to be fair toward labor. Fortune finds that U. S. labor is far from radical but that there is an emerging body of opinion that demands more for the working man than he has had before.

Following is a brief summary of some of the Fortune findings from its public opinion poll.

Think Democracy O.K.

With the minor exception of Negroes there is a consensus of about two-thirds of all parts of the working force believing that our democracy is about right as it stands and that it needs no important changes.

The radical minority that would do away with democracy altogether seems too small to be dangerous. The most interesting group tabulated, of course, is the sizable revisionist minority—ranging between a fifth and a quarter of all groups of workers (except Negroes)—that favors thoroughly overhauling the government without giving democracy up.

No Collectivizing

One thing that labor apparently does not want is collectivized industry. They don't even want industry regulated when it comes to the manufacture of automobiles. As for utilities, already much regulated, and coal mining, recurringly sore spot in labor relations, surprisingly large minorities seem willing to grant complete laissez faire, and relatively small minorities agree with the advocates of public ownership.

The greatest differences found in the figures come from the breakdown according to the amount of knowledge the respondents possess (based on a scale of information questions described last month). The well informed are very much more strongly for government regulation and opposed to government ownership than are the less informed.

Want Wage Ceiling

With astonishing uniformity labor groups in all occupations, union and nonunion, well informed and uninformed, north and south, voted for the limitation of incomes by a close plurality just under 50 per cent—all except the miners, who were higher. The only exceptions to the rule, with small pluralities opposed to income ceilings, were female factory workers, young workers between twenty and thirty-five, and southern Negroes. This near division of all kinds of labor on a question on which the U. S. public as a whole has so overwhelmingly taken the opposite side, time and again, is probably symptomatic of several things. The most obvious explanation is that the publicity given to the recent $25,000 wartime limit on incomes has given the idea of a postwar limit a sort of official sanctity.

But there may be a less topical and more significant reason: under the title "What's Itching Labor?" last November, Fortune reported upon the apparent upsurge of an equalitarian feeling among workers. They are willing to work overtime, they are willing to give up the right to strike, they are ready to make sacrifices for the war effort—if the other fellow will do the same, if the bosses don't reap new profits out of all proportion. Suddenly the whole subject of top earnings may be appearing to labor in new terms—in terms of a class-conscious definition of fair play instead of a frontier-conscious definition of opportunity.

In spite of the fact that a majority of U. S. workers were found in last month's Survey to be remarkably satisfied with their wages and working conditions, and that they credit most employers with at least wanting to be fair toward their employees in these matters, labor almost unanimously demands a voice in them. This is not surprising. For even though workers may not think that labor representation in management is needed to right present wrongs, it is natural for them to want to have a say in what most closely concerns their own welfare.

On employee jurisdiction over the pay of the bosses, opinion is more closely divided, but leans toward favoring the idea. This is probably another symptom of the equalitarian desire to prevent the higher-ups from getting more than is believed to be their share. As for the question of dividend payments, only a minority believe that employees should have a voice in their distribution. But that doesn't mean that workers are disinterested in what is done with profits.

Is Big Postwar Fleet Possible for Canada?

(Continued from page 34)

chairman of the United States Maritime Commission, in a recent address in New York to Marine Insurance executives expressed these sentiments, but much planning will have to be undertaken before dreams of this nature can become real.

Rear-Admiral Land, Chairman of the U. S. Maritime Commission, and Rear-Admiral Vickery have proved themselves to be dynamic shipbuilders during the last two years, but to operate profitably the huge amount of tonnage being built is going to be a very different business.

The bright spot is that the colossal amount of cargo which will have to be transported in the postwar era may be the means of writing down the building costs of these ships before the effects of competition can enter into the picture. The situation in Europe after this war is going to be vastly different from the last war. Devastation in the Axis-occupied countries has been so complete, particularly in the case of shipyards, factories and commercial centres, that it will be years after the war is over before these countries can hope to be completely rehabilitated.

It would therefore be logical to reason that countries such as Canada and the U. S. with their manufacturing resources not only unimpaired, but geared up to an abnormal degree, will be the countries that must supply most of the European postwar needs, and these needs will be acute for several years. Transportation of all the goods necessary will require an immense amount of tonnage, and tramp ships able to steam at 10 knots will still be in demand and not such a handicap as some people are inclined to think.

For general cargo trades, faster tonnage may be desirable, but if the Liberty ships had been of light draft design with much larger hatches for quicker handling of bulk cargoes, there would be little need to disparage their earning capacity after the war is over.

Coastwise Shipping

Where the U. S. has particularly failed to develop her Merchant Marine is in neglecting the great possibilities of coastwise services. Very little development has taken place in that section of ship operating, and it is here that opportunities are so apparent. The deterrent factor over the years is one that the government has really in its power to alter. Coastwise Shipping comes under the control of the Interstate Commerce Commission. This Commission seems to be controlled and to function for the benefit of the railroads.

According to its regulations, no shipowner is allowed to transport goods between different states at a less rate than 10% under the current railroad rate. The fact is well established that ordinary merchanise can be water-borne for 500 miles for the same rate charged for 100 miles by railroad. Consequently, when the Interstate Commerce Commission is allowed to make such a regulation for coastwise operations it is simply restricting the building up of a coastwise Merchant Marine that would be the means of opening up new markets by offering freight rates which would make business possible that under present conditions is hardly given a thought, on account of the prohibitive transport costs. Before the war merchandise could be carried from Europe to New Orleans at 50% less than it was possible to transport similar competitive American goods from New York to New Orleans.

British Method

In Great Britain, railroads work closely with the coastwise shipowners, quoting special rates for cargo going by sea. They realize that they cannot compete with water transport, so instead they cater to the short haul traffic to shipping ports, making a much higher percentage profit and lowering their costs for rolling stock.

With the proper organization now, the U. S. could have its own Marine Insurance structure similar to Lloyd's in London for insuring vessels and cargoes; Shipowners Mutual Protecting & Indemnity Associations, and all the companies that go along with a flourishing shipping industry.

With an active coastwise shipping industry, a good deal would have to be done to reorganize the various ports on both coasts for quick handling of cargoes, but money spent on such work would quickly give good returns. The present system of privately owned wharves should probably be abolished, and each port should be wholly controlled and operated by a local Port Authority on a competitive basis with other ports.

Revise Rules

All legislation and regulations that have been strangling the development of shipping activities should be altered immediately and replaced by intelligent regulations instituted by competent people who understand thoroughly what is required to foster the industry.

It is basically wrong for there to be any need on the government's part to subsidize the operations of steamship tonnage. This is one industry that should be able to stand on its own legs and flourish, if it is not throttled by legislation and regulations.

An interesting side light on Canada's vast aviation programme is this work being done by students in Canadian Technical Schools. Built accurately to scale, the model planes produced are used to train airmen and others in identifying both enemy and friendly aircraft. They also help train the fighter pilot, by demonstrating to him the vulnerable points of the enemy planes.

Sole Licensees in Canada for the manufacture of
EDO FLOATS

Parts and Accessories
Complete stocks available under wartime conditions, catered to meet every requirement, for aircraft manufacture, operation and repair.

Repairs
Competent craftsmen and well equipped workshops for repair of general parts, floats, tanks, etc.

The contribution of the airplane to the rapid development of Canada's northland furnishes one of the most amazing stories in the history of commercial aviation. The name of MacDonald Bros. has been linked with this development from its early days. On Edo floats manufactured in the MacDonald Bros. plant, the planes of the pioneer companies made their landings on lake and stream in places formerly inaccessible except by season-long journey by canoe.

From this first association with the aviation industry has grown the present-day business of MacDonald Bros. Aircraft Limited—as manufacturers of floats and aircraft parts and general distributors of aviation supplies. Most of the floats used in Canada are still made by MacDonald Bros.

MACDONALD BROS.
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Aircraft Overhaul and Maintenance: Airport Division, St. James, Man.
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The Navy "Cooks with Gas"
(When the Conditions are Favourable)

Here is a view of the galley of His Majesty's Canadian Ship "York", where good meals are being prepared for our sailors in training.

Gas cooking is easily available to the "York" because she is not afloat. Hence the neat battery of gas ranges here shown and the time-and-labour-saving methods enjoyed by our men. You may trust our Navy to take advantage of its opportunities.

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S.&S. Produces 10,000th 'Prop'

Winnipeg Firm Makes Seven Major Types of Airscrews

The 10,000th propeller made by S. & S. Aircraft Ltd., Winnipeg, has just been delivered to the R.C.A.F.

S. & S. began the production of propellers for commercial planes in 1939 in a one story plant producing about three a day. During the war it has been turning out up to 50 propellers a day of seven major types, as well as numerous test club designs.

All of the propellers manufactured by S. & S. are of their own design. J. R. B. Coleman, vice-president and managing Director, is a forest engineer and specialist in wood utilization. All wood used is seasoned in one of the most up-to-date dry kilns in Canada and tested for moisture and stress under his personel supervision. Several of the machines by which the propellers are processed were developed by the plant superintendent, Albert Hagman.

Many of the employees have been associated with the company since its inception and are highly skilled in the intricate manufacturing methods which the production of modern propellers requires.

Use Music to Speed Aircraft Output

Confident that music hath charms to speed war production, workers and management at the Longueuil plant of Fairchild Aircraft Ltd. have united to introduce a music-while-you-work service for the night shift.

The plant shown here is the new Modern plant on Montcalm Avenue, York Township, Toronto.

KEEPING DEMOCRACY TOOLED-UP

For Victory!!

MODERN ROTARY PROFILE MACHINES

This battery of No. 2 Rotary Profile Machines is nearing completion on our assembly floor. The thoroughly modern engineering features are evidenced in the clean-cut outward appearance of these machines.

Manufacturers of
Tools, Dies, Jigs and Fixtures; Precision Gauges, Die Casting Dies, Bakelite Moulds, Cellulose Acetate Injection Moulds.

The tremendous job of production which this war has necessitated, goes far beyond any known in peacetime. For, in addition to producing armaments in overwhelming numbers, is the fact that men's lives and Victory depend on their quality and accuracy.

In the daylight plant of Modern Tool Works shown above, special facilities have been developed for the mass production of high speed, high quality repetition work machines. For the first time these precision machines are being designed and produced in Canada not only for use in this country but in the United States and England as well.

Whatever the machine tool problem is, if it's for Victory, our experienced engineers and highly skilled staff are ready to apply new methods, new ideas, to reach a thoroughly "MODERN" solution. Our organization is at your service.

IT MUST BE MODERN
MODERN TOOL WORKS Limited

Development of Production

War Molds Our Aircraft Industry

Speedier Tempo of Battle Fosters Transition of Industry from Slow Trainers to Fast Fighters

Step by step the airplane manufacturing industry in Canada has developed, always seeking to satisfy first of all the need for training planes for the British Commonwealth Air Training Plan and secondly to turn out combat planes for Canada and her Allies.

The development has not been easy. Mistakes have been made, plans changed and delays experienced. Many of the troubles were due to factors over which the Canadian airplane manufacturing industry had no control but arose out of changes forced by the war.

In spite of this, a tremendous amount has been accomplished. Since June, 1940, 6,500 airplanes have been manufactured in Canada of which 5,000 were used in this country in the air training plan. The rest went overseas to combat areas.

Six Firms Share

Canada's wartime airplane manufacturing programme had its origin in the visit to Canada in the summer of 1938 of a British Aircraft Mission. Arising out of this visit, Canadian Associated Aircraft Ltd. was organized by a six-company partnership to handle the assembly end of an order for 160 Hampden bombers. Six firms participated in the partnership: Canadian Vickers Ltd., National Steel Car Co., Canadian Car & Foundry Co., Fairchild Aircraft, Fleet Aircraft Ltd. and Ottawa Car & Aircraft. Each subscribed $166,600 in capital. Assembly plants were established at St. Hubert, near Montreal, and Malton, near Toronto.

The plan called for the partner firms to supply parts and subassemblies which would be fed into the central assembly plants which C. A. A. would manage, making the latter partly a holding company and partly a manufacturing concern.

The bomber ordered was the Handley-Page Hampden, a twin-engined bomber of prewar British design. The original contract for 80 planes was given an estimated value of $10 millions and was later doubled. First Hampden was given its test flight Aug. 8, 1940, about two years after the start of the enterprise.

From the first C. A. A. and its partner firms were beset with difficulties. Making a twin-engined bomber is a complicated job at best and calls for use of thousands of drawings. These drawings were made to British standards and specifications which did not always fit into Canadian manufacturing methods. The plan behind the entire set-up was based on the prewar British "shadow factory" system but did not seem to fit any too well into Canadian conditions.

Production Lags

Slowness in completing this contract cannot be blamed entirely on what happened in Canada. British manufacturers were to supply certain parts such as engines and instruments. But they became pre-occupied with other matters, particularly after Dunkirk in June, 1940, and delays were noted in delivery of promised parts. These the Canadian makers had to overcome as best they could. The result of all this was that it was not until the first half of 1942 that the contract for 160 Hampdens was finally completed.

At various times during its career there were reports of additional orders including the manufacture of the Short Stirling four-engined bomber, being given to C. A. A. but nothing came of efforts to find something else for this organization to handle. Its plants have now been taken over by other concerns, that at Malton being utilized as part of the plant of Victory Aircraft, and that at St. Hubert being used by Canadian Vickers to assemble the Consolidated PBY patrol bomber.

Trainers Needed

The next important phase of Canada's airplane making since the war started began with the initiation of the British Commonwealth Air Training Plan with its tremendous requirements for training planes. To turn out the stream of airmen so heavily counted on to win the war, thousands of training planes were required and Canadian industry undertook to make most of them.

They ranged from the primary training planes—until recently the de Havilland Tiger Moth and Fleet Aircraft's Finch—to advanced trainers—the North American Harvard single engine plane and the Avro Anson twin-engined machine. These were the training planes which were made in Canada. Others were imported from the United States or Great Britain but Canada has been producing an ever-increasing proportion of the total required.

Outstanding success was early achieved by the two companies selected to make the primary trainers. The de Havilland Aircraft Co., is just cleaning up the job of producing a total of 1,500 Tiger Moth planes. A somewhat smaller number of Finch trainers was made by the Fleet Aircraft Co. at Fort Erie. Both of these planes were single-engined, two-place biplanes and were only moderately changed from regular models which these two companies were making before the war.

A new primary trainer has now been adopted—the Cornell, developed by the Fairchild company in the United States. Fleet Aircraft is concentrating on the production of this new trainer while de Havilland is now making the Mosquito, Britain's sensational new twin-engined bomber.

Bombers Harder

A much more difficult job has been the production of the twin-engined training bombers, undertaken under the direction of the government - owned company, Federal Aircraft Ltd. The idea here was to have Federal co-ordinate the work of a number of individual firms in handling a contract for 1,500 Ansons, estimated to cost about $50 millions. The planes were originally to be equipped with British-made engines but the fall of France left British engine makers unable to fulfill their contracts on time. British airplane makers were also to supply important components such as instruments. Here also they were unable to keep up their schedules.

But the Anson was rapidly redesigned to accommodate the U. S.-made Jacobs engine, and to adapt it to Canadian manufacturing practices. Substitute planes were ordered from the United States and British-made Ansons were brought over and reassembled in Canada, a job which Canadians handled.

Canadians have the job of making Avro-Anson training planes under control today. They have substantially redesigned the plane and have developed five Canadian versions. The latest, the Mark V and Mark VI, are scheduled to come off the assembly lines in 1943. They embody extensive use of molded plywood fuselages. Its production is to be concentrated in the hands of two companies — Canadian Car & Foundry Co. and Macdonald Bros. Aircraft. Canadian birch and spruce are replacing steel tubing, fabric fuselage covering and aluminum.

There have been important advantages in utilizing work done in the larger and more mature airplane industries of Great Britain and the United States. We are thus able to adopt proven machines, eliminating a development cost which would be very high in the relatively small Canadian industry.

No Engines Made

A case in point is the decision not to make airplane engines in Canada. About a year and a half ago this matter was being discussed seriously and the Canadian government decided to go ahead. It would have required $50 millions of capital to establish a plant capable of turning out perhaps 400 modern engines a month of only one model or type. It would not provide the range of engines required to power training planes, commercial planes and combat types. Canada's own programme at that time required 15 or 16 types of engines.

The whole proposal was taken to Washington to secure machine tools. William Knudsen killed the scheme, saying:

"We feel that with our already established industry we can use these tools to better advantage in the common effort than you can; if you will forego your application for these tools, we will undertake to see that Canada gets proportionate treatment with United States manufacturers in connection with the engines she needs from the United States for her airframe programme."

The result is that Canada is not making airplane engines today and is not likely to do so. Canadian Car & Foundry Co. has developed and produced a small 200 h.p. radial air-cooled engine but has never undertaken commercial production.

A touch of realism is lent to the training of both air and ground forces, as a fighter training plane swoops down on army reconnaissance cars. These armored cars, almost as sturdy as baby tanks, pack a lot of fire power as demonstrated by the Bren guns bristling from the turrets. Cars such as these have been turned out in quantity by General Motors of Canada.

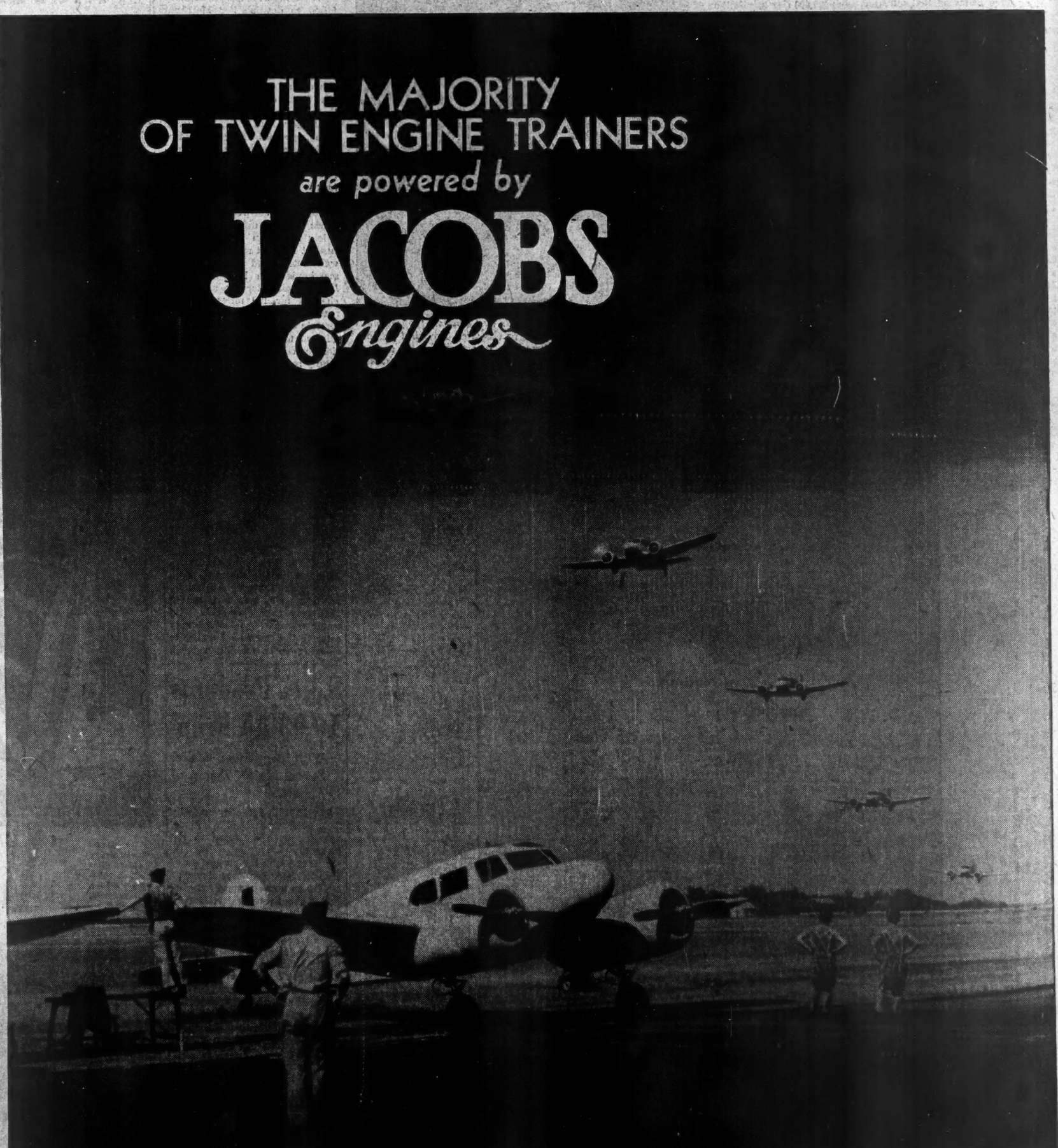
Nutrition in Our War Plants

Food service is of prime importance in our war effort . . . that's why each month sees an increasing proportion of our plant production devoted to food service equipment required for the prosecution of the war . . . Here are a few of the war plants using our products to ensure nutritional efficiency:

John Inglis Co. Ltd., Toronto.
Small Arms Ltd., Long Branch.
Research Enterprises Ltd., Leaside.
Ferranti Electric Ltd., Mt. Dennis.
Canadian Acme Screw & Gear Co., Toronto.
Massey-Harris Ltd., Weston.
Small Electric Motors Ltd., Leaside.
Border Cities Industries Ltd., Windsor.
Fleet Aircraft Ltd., Fort Erie.
McKinnon Industries Ltd., St. Catharines.
Neptune Meters Ltd., Long Branch.
Atlas Steels Ltd., Welland.
DeHavilland Aircraft Ltd., Toronto.
Dominion Bridge Co., Toronto.

Wrought Iron Range Company Limited
149 King St., West Toronto

THE MAJORITY
OF TWIN ENGINE TRAINERS
are powered by
JACOBS
Engines



Jacobs Aircraft Engine Company is proud of its job of powering the twin-engine Advance Trainers — Cessna "Cranes" and Avro Ansons — in which the Bomber Pilots are receiving their training under the *Commonwealth Air Training Plan*, that vast cooperative enterprise conceived and carried out so magnificently in Canada.

Throughout the United States, also, Jacobs Engines are *training the Bomber Pilots for the United Nations*.

JACOBS AIRCRAFT ENGINE CO.
POTTSTOWN • PENNSYLVANIA • U.S.A.

R.C.A.F. official photo.

THE FINANCIAL POST
Canada's Foremost Business Newspaper
★ Toronto, January 30, 1943 ★

Will Our Aircraft Industry Be Able to Survive Victory?

Underlying Conditions Were Never More Favorable, But Successful Transition Will Depend on Ability to Cut Costs, Strengthen Designing Skill and Develop Cargo as Well as Passenger Traffic

Production in full stride, its types of planes finally settled, its material and manpower bottlenecks breached, Canada's aircraft industry must now mobilize to answer what may prove its most difficult problem: "Can it withstand the shock of victory?"

In the last war Canada turned out some 2,900 planes, no mean feat even in these days, provided 12,902 men for the Royal Air Force and the Fleet Air Arm, including some of the greatest fliers of the war.

Yet shortly after the war the aircraft industry had become practically non-existent, not until the late 1920's did flying get its second wind, and by 1929 there were only 349 licensed civilian pilots in the Dominion.

Development of the north country gave Canada top place in air cargo during the 1930's, but even at the 1937 peak the total of licensed civilian pilots only reached 449, and by 1939 the number was back to 357, only eight more pilots than there had been ten years earlier. The total number of planes built in Canada between the wars only amounted to 981, less than three months' production at current rates.

On the face of that record, the major postwar job for Canada's aviation industry would be to find new jobs for the 100,000 production workers and 200,000-odd trained fliers and ground crew that Canada will likely have at that time. Even the most optimistic predict some retrenchment, at least initially.

Challenge for Management

But for the aggressive leaders of both the production and operational branches of the industry, the gloomy record of the last postwar period is no more than a challenge and a warning for the period that lies ahead.

No more authoritative evidence of this fact is available than the policies that have been followed by Canada's Director General of Aircraft Production, Ralph P. Bell. Having successfully captained the industry through the difficulties of attaining quantity production, Mr. Bell has made it clear that the next big job is to bring production costs down to the levels of the major producing units in the United States and Great Britain, and to build up Canada's ability to design as well as build aircraft.

Only two of the planes shown on this page were designed in Canada, and only one of them is now in production. On the cost angle, the announcement that the contract to Canadian Vickers to build PBY Catalinas was placed at the same figure as the original firm in the United States was receiving can be taken as a positive indication of future policy. Success in these two aims would automatically place Canada's aircraft industry on a competitive footing, the only practical basis for survival.

On this basis, the major factors in the postwar development are inseparably linked to demand, and hence to physical factors, such as the ratio of cargo or passenger load to fuel requirements, safety factors and so forth. The type of commodity that figures most importantly in postwar trade will be of major significance. If, for example, luxury trade becomes the principal traffic, the higher freight charges for air transport will probably not offset the advantages of speedier transit. Here is a round-up of some of the most important favorable influences for Canada:

1. The size of the air project. From the production view, the vast expansion has ensured that there will be adequate manpower trained to produce aircraft. From the operational view, the approximately 60,000 men engaged in managing the British Commonwealth Air Training Plan will provide enough ground crew to handle all the civilian traffic likely to develop. By war's end there may be over 100,000 air crew, of whom at least 10,000 or more will be trained to fly multiple-engined craft — a schooling that was extremely costly in peacetime.

2. The shift in geography. Development of long-distance air travel has recast the map of the world, putting its centre at the North Pole instead of the equator. Traffic from most of North America to most parts of Europe and Asia now naturally passes through Canada. Even in the bush flying days penetration of Canada's north was tributary to an east-west development paralelling the railroads. After the war north-south traffic will almost certainly become a main route instead of a spur line.

3. The development of the radio-locator. Very little of the achievement in locating aircraft from the ground has appeared in print owing to wartime censorship. But it is clear that a device which can tell the location of aircraft in flight at great distances will prove invaluable in keeping a constant check on plane movements in civilian work. Formerly a pilot who "lost the beam" stood an excellent chance of catastrophe. In the future it should be possible to follow his flight mile by mile, bring him in under circumstances that would have previously made a crash inevitable.

Other influences which will tend to make the postwar pattern markedly different from that following World War II are that as the keystone in the arch of aerial transport between the most important centres of the world, we bring to the job probably the greatest wealth of experience of Arctic flying of any country with the possible exception of Russia. Relative to our population we will probably come out of the war with the greatest proportion of trained ground and air crew—at least ten times as many fliers as we had at the end of the last war.

But while the setting for a vast postwar air development in Canada is more favorable than ever before, there are many hurdles to take before that goal is reached.

It is one thing to fly vital war materials to distant battlefronts when time is everything and cost is nothing. It is another to consider the air freight carrier in the postwar world when costs will again be one of the most important determinants of worldwide commercial cargo routings.

Finch

Production for Victory

A Monthly Series . . . .

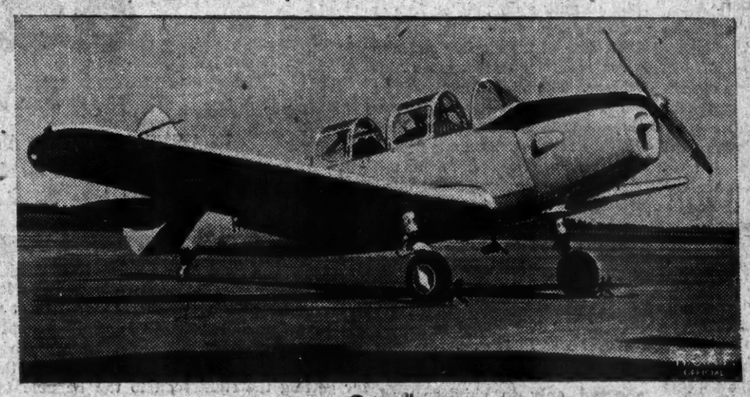
January:

Aviation, Nutrition

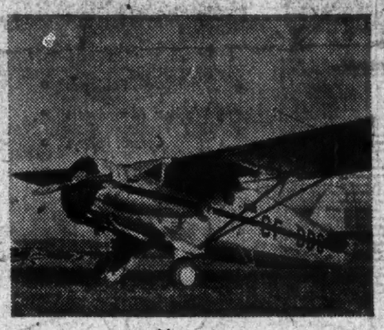
To show the dramatic growth of Canada's aircraft industry, The Financial Post presents these photographs of the planes we used to build and the planes we build now. The list of producers has been kept to prime contractors, and with one exception—that of Victory Aircraft, recently taken over by the Government—to commercial manufacturers.

Fleet Aircraft Ltd.

Fleet turned out its Finch model in the prewar days, had it used as an initial trainer by the R. C. A. F. when hostilities broke out. The company is now handling production of the Fairchild "Cornell," recently named standard initial trainer for the R. C. A. F. This sturdy craft is a closely similar type plane to that used by the United States Army Air Corps. Powered with a 175 h.p. engine, the Cornell has a top speed of 135 m.p.h., cruising speed of 120 m.p.h. and landing speed of 48 m.p.h.



Cornell



Norseman

Noorduyn Aviation Ltd.

Only wholly Canadian designed plane on the production list is the Norseman, a highly adaptable single-engined transport. A product of Canadian bush flying experience it is equally manoeuvrable on wheels, skis or floats. A prewar development of the Noorduyn company, this plane has achieved an international reputation as witnessed by a recent large order from the U. S. War Department. Noorduyn is also on steady production of the famous Harvard advanced trainer, used by both Canadian and American air forces.

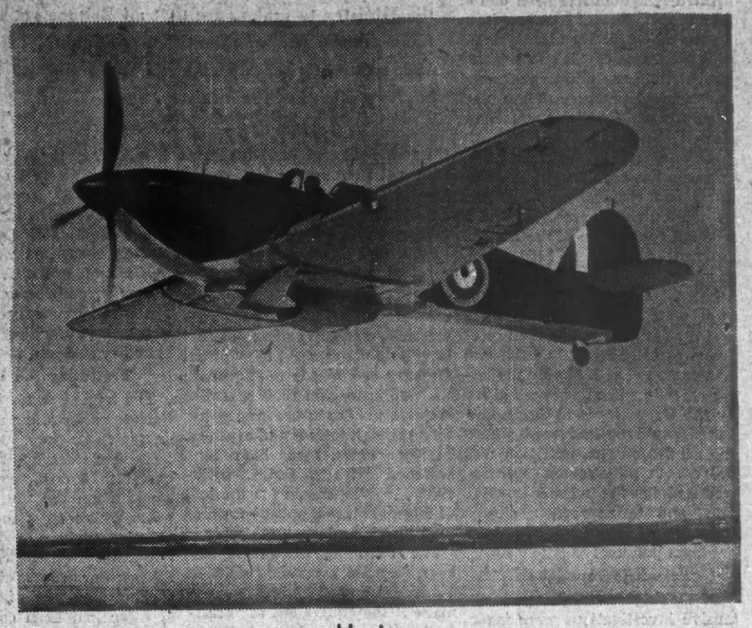
Harvard

Canadian Car & Foundry Co.

Canadian Car & Foundry got into the fighting plane field early for a Canadian manufacturer. Before the war it designed its own fighter, the Gregor, and built Grumman fighters for which Turkey became a customer. It is making the Hurricane, which has proved one of the most dependable and versatile fighter planes of the war. Work is under way on the hard-hitting Curtiss Helldiver, dive bomber ordered by the U. S. Navy from this company and Fairchild Aircraft.

"Canadian Aviation" Photo.

Gregor



Hurricane

Boeing Aircraft of Canada Ltd. Canadian Vickers Ltd.

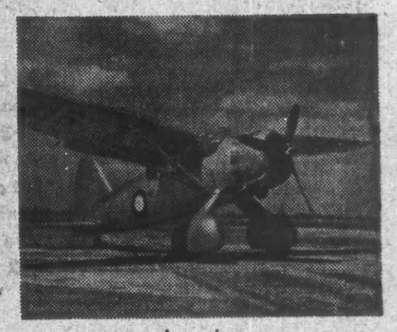
From two widely separated Canadian aircraft makers, Canadian Vickers Ltd. and Boeing Aircraft of Canada, the wide-ranging Canso amphibian is being made. This reconnaissance amphibian is the Canadian version of the famed Consolidated Catalina. Before turning to the Canso, Canadian Vickers made the Stranraer, which performed valuable service on coastal patrol and reconnaissance. Boeing made the Blackburn "Shark" before the war.

Stranraer

Canso

Victory Aircraft Ltd.

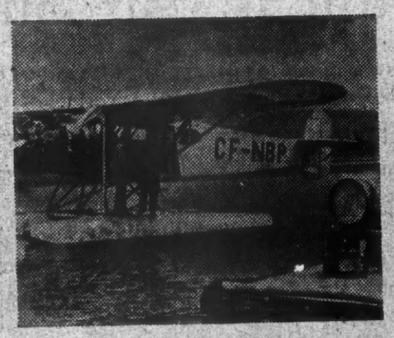
Victory Aircraft (the Malton plant formerly owned by National Steel Car Corp.) had as its first war job manufacture of the Westland Lysander army co-operation plane. War developments have resulted in this type of plane being superseded and the plant has turned to manufacture of the great Lancaster four-engined bomber, first of which is scheduled to roll out this spring. With a range of up to 3,000 miles, a speed of around 300 m.p.h. and a bomb load of eight tons the Lancaster is already famous.



Lysander

Fairchild Aircraft Ltd.

Much of Canada's northland has been opened up by the bush-flying Fairchild transports. Fairchild is now turning to manufacture of the Curtiss Helldiver (also being made by Canadian Car). This aircraft is one of the newest designs in the U. S. and is being manufactured in Canada under license from the Curtiss-Wright Corp., Columbus, Ohio. Fairchild has also been making Ansons and Bolingbroke bombers, the latter having made a noteworthy record overseas as the Bristol Blenheim.

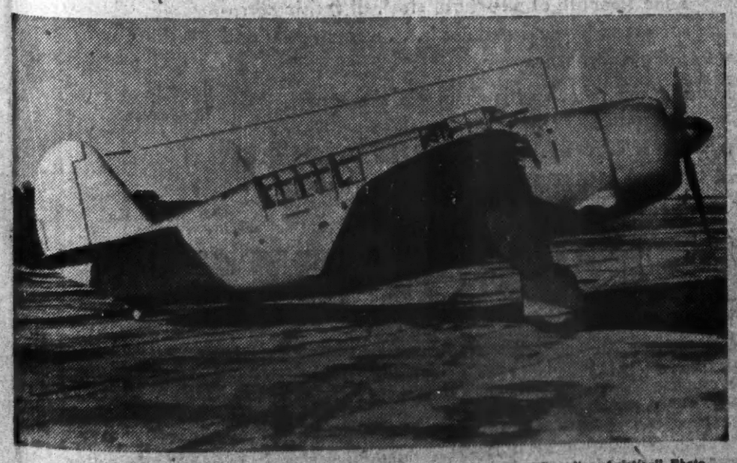


Fairchild Transport

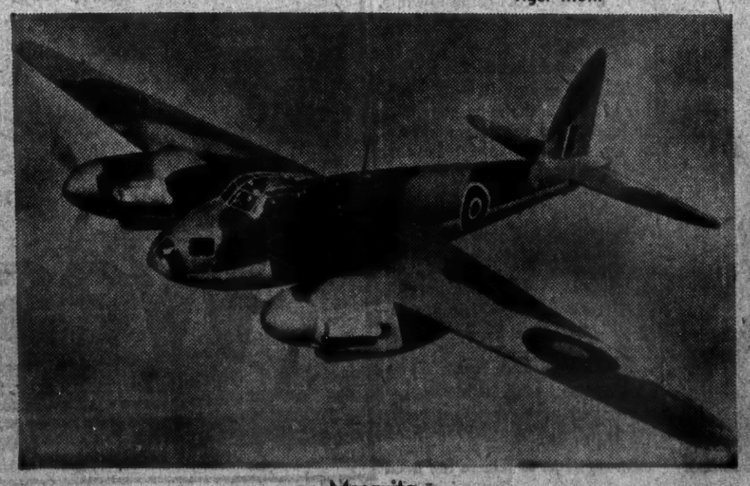
de Havilland Aircraft of Canada

The de Havilland Moth was well known throughout Canada as a pleasure craft in the days of peace. When war came it entered the services as an initial trainer. The company is now turning its full productive facilities to making the famed Mosquito reconnaissance bomber. First of this type came off the de Havilland production line last fall and the production target is five a day. Largely of plywood construction, this twin-engined craft is believed to be among the fastest aircraft made anywhere.

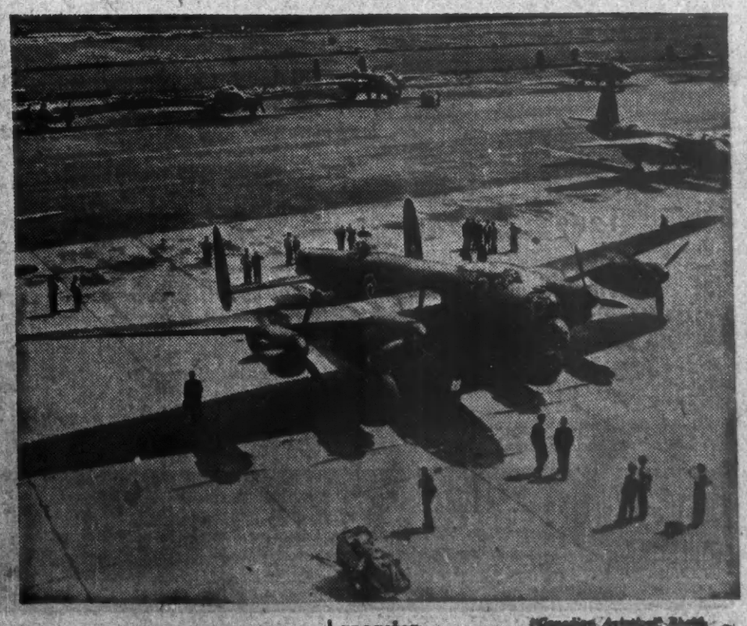
Tiger Moth



Helldiver "Canadian Aviation" Photo.



Mosquito



Lancaster "Canadian Aviation" Photo.

Nutrition in Britain

War Proves a Boon to British Diet

Greatest threat to Britain, the wartime food shortage, has been turned to advantage by the Ministry of Foods. A national nutrition programme, based on years of research, has been able to use the special wartime powers granted the Ministry to make sure that all Britons get the proper foods in the proper quantities. Rationing, price control and regulation of distribution back up the intelligent buying policies of the Ministry.

Although it has been obscured by the tremendous and spectacular development of Britain's fighting strength, the progress of a national nutrition programme for the United Kingdom has been one of the most important social achievements of World War II. Without this programme, it is questionable that Britain could have withstood the twofold pressure of the Nazi blockade and the direct attacks on the civilian population.

Development of the British programme has been firmly based on early and comprehensive studies of the nutrition problem, and a gradual application of the facts so learned. As early as 1906, cheap meals were introduced in the schools. Extra nourishment for expectant and nursing mothers and for children under the age of five was established in 1918, and was extended in 1930. By the latter amendment, allowances given by the Unemployment Assistance Board could be increased where the need for extra nutrition was proved. A milk scheme was introduced for the schools in Oct., 1934, and throughout, a steady campaign of nutritional education has been pursued.

Scientific Foundation

In making these changes, extensive investigations were made into the health and diet of the British people, which disclosed invaluable data on the basic problem to be overcome. With the war and establishment of the Ministry of Foods under Lord Woolton, the country was given its first national agency with sufficient power to ensure the full application of a national nutrition programme. The fundamental job of the Ministry of Foods is to get the most nourishment for the least amount of shipping space and storage space consumed. In effect the food shopper for the nation, the ministry has been ideally situated to make wise decisions on the type of foods that will be eaten in Britain.

In reaching these decisions, the ministry has enlisted the services of the most prominent British scientists and dietitians. Not only do these advisors pass on the types of foods to be bought, but they assist the housewife by preparing new recipes to make the most of such wartime innovations as dried eggs and dehydrated meat.

In some cases, unfamiliar foodstuffs may be flown from the country of their origin to the research kitchens, so that by the time the new food arrives in the shops of Great Britain, the Ministry of Foods has already placed the benefit of its experience at the disposal of the housewife.

"V" for Vitamins

In the last war, attention was mainly concentrated on the calorie content of diet. In this war, research emphasizes has shifted largely to vitamins. Policy of the Ministry of Foods is to encourage the public to gain their vitamins in the form of natural foods, rather than through tablets and capsules. In some cases, foods have been enriched with vitamins, artificially, to compensate for the loss of vitamins through some form of food that is no longer available.

For example, margarine has been fortified by adding units of Vitamin A and Vitamin B, so as to make it the equivalent of "grass-fed" butter. Later, Vitamin D was added to compensate for the reduction in egg consumption. The introduction of National Wheat Meal Flour doubled the Vitamin B-1 content of Britain's white bread.

But one of the most important achievements on the vitamin front has been made possible by the fact that roughly 85% of the needed vitamin intake can be obtained from unrationed foods, particularly vegetables. Increased consumption of vegetables, under the encouragement of the ministry, has been one of the most important factors in securing an adequate diet for wartime Britain.

The Job of Distribution

Once the Food Ministry has secured the proper types of food, the job of getting the right quantity to the right persons in the right condition, becomes one of its major functions.

Quality is safeguarded by statutes dealing with the composition and purity of food products which have long been in force, and with two new measures introduced since the war. The Food Substitutes Control Order of 1941 came into force in October of that year, to make sure that only "honest" substitutes for foods no longer available are offered to the public. The Sampling of Food Order of 1942 is concerned with all foodstuffs and not just substitutes. Under it, enforcement inspectors can enter premises where food is being manufactured, prepared, stored or sold and take samples.

Protecting the Product

The ministry also issues directions to cold storage undertakings on the foods they may store, the method of storage and the rates of charge. In order to move food stocks from the vulnerable port areas where most food is stored in peacetime, the Ministry of Foods has been constructing new refrigerator depots in different parts of Great Britain. Over 100 of these had been completed by Jan., 1942, and a new programme had been launched. One of the biggest problems has been the distribution of food supplies.

The degree of control and interference with normal channels of distribution varies with different commodities. In the case of meat, for example, normal marketing methods have been entirely suspended. Sugar, on the other hand, is still distributed through much the same channels as in peacetime, although the Ministry of Food is in a position to give the necessary directions about standard, prices and the transport and storage arrangements required to ensure economical distribution and provision against emergency.

In the case of milk, to which the greatest dietetic value is attached, the government has become a sort of middleman, purchasing the entire milk supply from the Milk Board, and selling it to distributors and manufacturers. Retailers in towns with a population of more than 10,000 have been required to form wartime associatfons to reduce over-lapping in delivery.

Distribution has been simplified by a "zoning" system, limiting distribution to defined areas around the point of arrival, or the point of production. Food trades have been directed to pool their distribution resources in order to avoid unnecessary cross-haulage.

Rationing Aids Nutrition

Final stage of the distribution programme is made effective through Britain's rationing plans. The rationing system is double-barrelled. Certain foods are rationed on a straight quantity basis, with so much allowed per person. Other foods, notably dried fruits, breakfast cereals, all tinned foods except soup, are rationed on the point system. Under this system, which is basically the same as the Canadian system for rationing tea and coffee, the consumer is free to decide how he will "spend" his allotted number of points, and the "prices" in terms of points for specific foods are varied, depending upon the relative abundance of the commodities from time to time.

Within the general rationing scheme are many exceptions. For example, the average Briton gets from two to five eggs a month, depending on the season, against a prewar consumption of about 15 eggs a month. But invalids, children and expectant mothers get four eggs to every one egg allowed to ordinary consumers. Children receive the same ordinary domestic ration as adults, except that tea is not available for those under five, and the meat ration is half that allowed to grown-ups.

Beyond this, children benefit from a number of schemes in which they are given priorities. Most important is milk.

The National Milk Scheme, introduced in the summer of 1940, entitled expectant mothers and children under five to receive a pint of milk a day, either free or at a reduced price. By June 1, 1942, 86% of the eligible children were receiving milk under this scheme. The total of mothers and children using the scheme was then over three million and 21% of them received the milk free.

Oranges are reserved for the use of children under five at controlled prices. In 1941, the Ministry of Food began the distribution of fruit juice and cod liver oil compound, free to all children under two through the Maternity and Child Welfare Clinics. Subsequently the age limits for both products was increased.

War Workers Specials

Second only to children and babies and mothers come Britain's industrial workers. Since early in 1940 it has been compulsory to provide canteens in works which employ more than 250 people directly or indirectly engaged in government work. These canteens are classed as "A" and "B", and both classifications rank ahead of normal ordinary catering firms in obtaining food supplies. For example, 1½ d. worth of meat per meal is given to a "B" canteen as against 1d. to an ordinary catering establishment and 2d. to an "A" canteen. "B" canteens get the same allowance of cheese, fats and preserves as "A" canteens, if a "packed meal" is served.

The British nutritional programme even extends to British prisoners of war. This work is carried on in co-operation with the Red Cross by the Ministry of Food. The diet of prisoners in Germany is insufficient in calories, protein, calcium and vitamins "A" and "B". The Ministry helps to make good the deficiency by seeing that the right sort of food is included in the parcels sent under the international convention, the principal items being canned meat, canned vegetables and condensed milk. Fairly recently, flake-dried eggs have been made available to the British prisoners of war.

Prisoner Chefs

Some of the prisoners have asked the Ministry to advise them on how to cook their food, and the experimental kitchens compiled a special cookery book for their use. The book contains recipes for making the best use of the rations provided by the Germans and the contents of the food parcels sent by the Red Cross. It gives miscellaneous information such as how to make a grater out of an empty biscuit tin.

Its compilation presented some difficulty, as cooking arrangements varied from camp to camp, and there was no flour available and little seasoning.

Commercial Feeding

In order to prevent unfair buying of food in the more expensive restaurants, a regulation has recently been introduced limiting the number of courses which may be eaten in a restaurant to three and the price to be paid for the food itself to a maximum of five shillings.

Communal feeding has been encouraged, largely through the development of "British Restaurants," the first of which was opened in the autumn of 1940, and communal feeding centres for evacuees in reception areas.

Through these institutions, the Ministry of Food is capable of enforcing its nutrition programme, and also helps to relieve the need for married women to stay in home. For these reasons, the centres are made as attractive and homelike as possible.

Final stage of the programme for getting the right food to the right person is price control. Without these measures, rationing and communal feeding would have little advantage since large sections of the population might not be able to purchase the correct foods even though their rations entitled them to do so.

In order that the advances gained during the war should be continued in the postwar period, the Ministry of Food has conducted a far-reaching educational campaign. It is felt that the habits now established, if firmly implanted in the minds of Britain's housewives, will make permanent changes in the British diet.

NUTRITION---
the deciding factor

THE improving picture for the United Nations everywhere is raising the hopes of enslaved millions. At last we more than match the Axis in materials of war.

And all the time our most powerful weapons—superior resources—are silently at work.

In no department are we more definitely superior than in FOODS. Foods mean adequate nutrition. Adequate nutrition, in the final analysis, means better fighting ability and greater staying power in our armed forces. It means higher stability and sterner resolution in our civilian population. It is the deciding factor in winning.

The Silverwood organization is glad to be playing its part on the food front. We export to many battle areas dairy products that help to keep fighting men fit. We distribute commodities of the same high quality to workers in war industries and to civilian homes.

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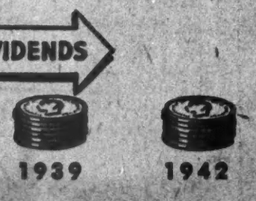
A FACT OR TWO about WAR PROFITS!

FROM 1939 to 1942, our wage bill increased from $4,511,433 to $9,379,203, due to additional employment given by the war. But also because the average hourly earnings of plant employees, inclusive of cost-of-living bonuses, are 33.2 per cent higher than in 1939.

IN THE same period, our income taxes rose from $244,514 to $8,000,000. The tax load is now 32 times what it was in 1939.

DIVIDENDS paid to the 3,188 shareholders who own the company, remain at the same level as in 1939—$1,485,842.



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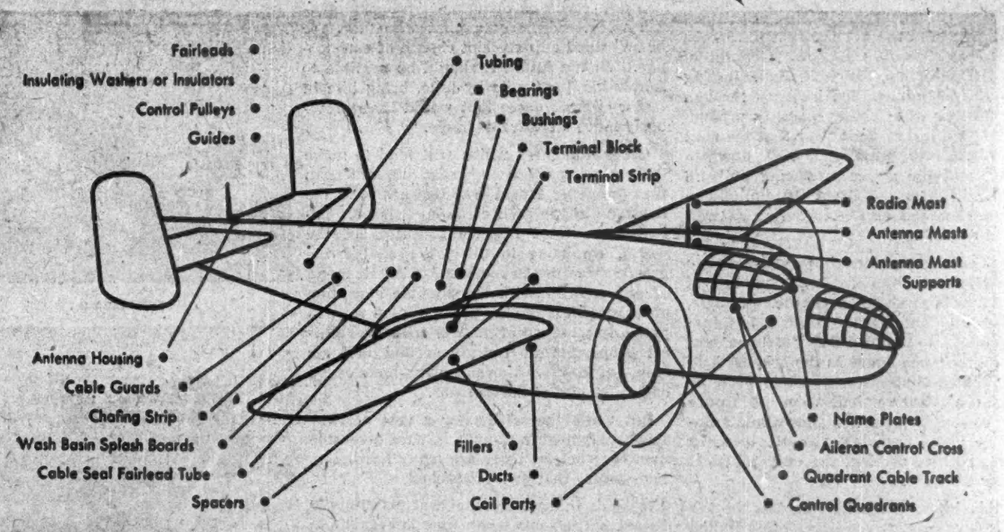

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Aircraft Industry — Present Status

Where We Stand Today

Canada Has Industries With New Capacities, Workers With New Skills Behind Aircraft Production Scene

In Canada today something like 75,000 men and women are helping to make aircraft. Their numbers are expanding, before 1943 is over the total will be up to 100,000. The skills they now so nonchalantly display are mostly new to them for the work that they do is new to this country. In the field of aircraft production Canada was far from a place among the leaders. Today it is turning out planes as good as the best.

Behind that hard-hitting fact is a story of remarkable growth. That growth can be measured not solely by the fact that aircraft employment has jumped from 1,000 before the war to 75,000, nor solely by the fact that the industry now occupies a factory floor space of some seven million sq. ft. as compared with a half million prewar. That growth must also be measured in the evolving of new production techniques, of setting up new manufacturing processes and whole new industries, and the induction of thousands who had never previously worked in industry.

Skill Needed

Few are the workers in this industry who can be classed as unskilled. The niceties of aircraft construction are too fine to allow any hit-or-miss work. Some aircraft workers have switched over from their peacetime jobs, are now using their skills to help make Canada's top-flight planes. In this group are toolmakers, machinists, carpenters, joiners, welders, painters and sheet metal workers who may draw anything from 65 cents to $1 an hour. With more accent currently being laid on the use of plywood in aircraft the services of experienced carpenters have been in particular demand.

Specialty Jobs

A great part of employment in this industry, however, is among those with specialized skills. In most cases these skills are acquired right on the job, through "upgrading" employees. Workers, for instance, acquire a high degree of skill in driving small rivets without a scratch—that is a valuable specialty for the aircraft industry but might have little use in other lines of manufacture. Other operations require considerable dexterity of fingers in handling and fitting small parts and shapes. Such skill which is learned quickly or not at all falls within the natural province of women. This fact is reflected in the heavy influx of women into the aircraft industry. At the end of 1942 the industry employed around 21,000 women as compared with 3,500 a year earlier—a jump from 10% to 27.7% of the total working force. In very many cases these women had never before worked in industry. For production work 40 to 80 cents an hour is usually paid, depending upon the skill of the worker.

Unique Tools

Along with specialized skills there have been developed highly specialized tools which are unique to the aircraft industry. Rivetting guns for reaching awkward corners are an example. These specialty tools are ingeniously designed and are usually very light and easily handled. One Canadian manufacturer, for instance, has developed a line of pneumatic wrenches for the aircraft industry with one of these wrenches being only 5½ inches long and weighing two pounds to handle ¼ and ⅜ inch nuts.

At the other end of the scale are the huge hydraulic presses in the Dominion Oilcloth & Linoleum plant which are making many of the aluminum parts used in making the Catalina amphibian.

Other tools unique to the industry include a "stretcher" which actually takes hold of the metal and stretches it to a snug fit; a "wheeler" is used to iron out aluminum plate to fit the curve of the aircraft; a "router" is a milling machine used to trim odd shapes.

Design of tools used in manufacture of aircraft has to be very accurate and they must be used with the greatest care so that parts will not be scratched. The stressed parts of an aircraft must be absolutely scratch free for wherever there is a scratch the great stress of flight conditions will start a crack. Importance of some component parts may be realized when it is noted that only four bolts hold the engine to the plane and four bolts hold the wing to the rest of the aircraft. The entire thrust of the shock of landing is taken up by one bolt.

Widespread Industry

The skill and care necessary in making aircraft parts is not concentrated in the handful of plants from which the completed planes roll. Manufacture of aircraft parts is spread throughout the Dominion in dozens of plants through a widespread system of subcontracting. For instance, the Catalina amphibian, built by Canadian Vickers contains 100,000 parts. Vickers was aided in its job of making all those parts and putting them together by these suppliers:

Subcontractors

Creswell-Pomeroy—rolled sections and window sash weights.
Cockshutt Plow—drophammer.
Dominion Oilcloth & Linoleum—Hydropress parts.
Engineering Products — machine shop work.
Hayes Steel—forgings and machine work.
Hobbs Glass—clear plastics.
O'Neil European Machine Co.—machine shop work.
St. Johns Industries — machine shop work.
United Shoe Machinery—machine shop work.
Aluminum Co.—forgings.
Montreal Bronze—castings.
Shawinigan Chemicals — stainless steel castings.
Kelsey Wheel Co.—Nose wheels.

Suppliers

Aluminum Co. — aluminum sheet extruded sections.
International Paints—paint.
Oakite Products—Cleaning materials.
Aviation Electric—motors, generators.
Can. Pratt & Whitney — engines and Hamilton propellers.
Steel Co. of Canada—Stowell screws.
Canada Wire & Cable—cable and electric wire.
R&M Bearings—bearings.
John Millen—accessories.
R. W. Bartram—raw steel.
Canadian S.K.F.—bearings.
Can. General Electric—instruments.
Can. Westinghouse—lamps, etc.
Canadian Industries Ltd.—plastics.
B. J. Coughlin—springs.
Cannon Electric Co.—Cannon plugs.
Drummond McCall—steel tubing.
Dom. Wire Rope—cables.
Dominion Rubber—tires, hoses, etc.
National Fibre—fibre parts.
Dominion Rubber—tires, hoses, etc.
Goodyear Tire—tires.
Goodrich—tires.
Gutta Percha—neoprene.
Thos. Firth & John Brown — stainless steel.
Railway & Power Engineering—steel and tubing.
Northern Electric—electric wire, instruments.
Ontario Hughes Owens—instruments.
Renold Coventry—gears.

The breadth of the Catalina programme is by no means unique. An Ontario plant is currently making wings for the de Havilland Mosquito bomber. This plant is presently making the entire wing on its own premises but has under construction an assembly unit that will triple its capacity. This new unit will bring together a flow of materials from a long list of subcontractors so that the actual manufacturing operations at this central plant will be a comparatively minor part of its total production of completed Mosquito wings.

The flow of production in this case is that while the Mosquito is made at de Havilland the wing comes from another plant and parts for the wing come from a wide variety of other manufacturers. The same scheme of production is followed in making other types of aircraft with very often only the fuselages being constructed in the plant from which the completed aircraft finally emerges—the component parts flowing in from the subcontractors.

Dispersal Speeds Work

Through this system of widespread dispersal of orders the aircraft industry has been able to take advantage of a much larger percentage of the country's machine tool and skilled worker capacity than if the entire orders were concentrated in single plants. Without this system the tremendous expansion that has taken place in production would not have been nearly possible.

Using Plywood

The increasing use of plywood, particularly in construction of Mosquito bombers and Anson trainers, has made a broadening out of the subcontract system possible. Example of what has been done is afforded by the grouping of five Ontario furniture companies to manufacture wooden components for aircraft.

With peacetime business dwindling these companies negotiated contracts and are using upwards of 150,000 sq. ft. of floor space and over 1,500 employees. Other firms have made a similar transition—Henry Morgan & Co. of Montreal, formerly made fine furniture and is now turning out plywood seats, bomb bay doors, code book and map cases. Plywood units in aircraft construction are being made at costs of one half and less the price for metal parts of like design and function.

The availability of skilled wood craftsmen has been a boon to expansion in use of plywood in plane construction. Between a rough piece of high-grade spruce and the completed, streamlined aircraft is a multitude of delicate operations which are conducted under a constantly controlled temperature to prevent the wood from losing moisture and changing shape.

Strips Bonded

The spruce beams are first cut into strips which are put on a steam press to be shaped into the desired curve and bonded together with casein glue. These laminated plywood strips are strengthened by stringers and webs all of which are exactingly shaped on jigs which requires a considerable degree of hand labor and use of a large number of nails and screws. After the outer coat of plywood sheet is fixed on and doped it is difficult to distinguish the finish from that of metal.

Work of Art

As sturdy as the Anson is the work on this trainer plane is much less fine than that on the Mosquito. The stress of flight is terrifically high on this lightning-fast plane and rough workmanship would not stand the strain. Woodwork on the Mosquito is done to very fine tolerances with the completed aircraft standing as a noteworthy example of the woodworker's art.

Canada's aircraft programme now appears to be fairly well stabilized at nine planes—four trainers, four combat craft and one transport. However, to get to this point there have been multitudinous problems of retooling and machine tool procurement. The tooling up process is still not completed—notably in the cases of the Lancaster, Hell-Diver and Mosquito—but substantial progress has been made.

Simplify Processes

One of the features of the tooling programme has been the way that operations have been broken down into the simplest possible parts so that less intricate tools are needed, and less skill is required for production. The industry has done a noteworthy job in adapting present machines and devising new methods to meet expanded needs as quickly and efficiently as possible. Some of the plane types, of course, have represented an almost complete break from previous types which has accentuated the difficulties of the tooling problem.

Aluminum Needed

In the wake of the industry's expansion has come a big boost in Canada's aluminum producing capacity, much of which metal is headed for aircraft. This material presents the most serious problem to the industry despite the large expansion in supply. Compulsory scheduling has been set up to ensure the best possible distribution of available supplies. Progress has also been made on standardization of alloys and sizes with this particular aspect of the situation receiving continued careful attention.

The increased manufacture of parts to parallel the climbing production rate of complete aircraft has brought to Canada whole new industries. Making aircraft accessories such as propellers and instruments are very important adjuncts to the industry.

Propellers for U. S.

Two types of metal propellers are being made in Canada—the Hoover and Hamilton. Up to start of this production the aluminum industry had never previously forged anything so large as a propeller. Canadian Car & Foundry was the first to turn out a complete aircraft alloy propeller and hydraulic hub in Canada. Many of the metal propellers made by the two Canadian manufacturers are going to the United States.

In addition, a considerable number of wooden propellers are being turned out by S & S Aircraft, Singer Sewing Machine and Laidlaw Lumber.

Brand new to the field of Canadian manufacture is the industry of aircraft instrument production. Much of this type of work requires the delicate skill of a watchmaker, hence has required training many steady-handed workers, mostly girls, to the new job. Among the most important Canadian manufacturers of the many flight instruments and pressure gauges needed on each aircraft are Canadian General Electric, Sutton-Horsley and Canadian Aircraft Instruments and Accessories.

Competitive Element

All these various branches which extend right across the Dominion merge into the single fact that Canada today has an aircraft industry capable of turning out large numbers of first class planes. Whether or not this industry can be classed as truly competitive with that in the United States or United Kingdom is a moot point particularly from the postwar view. Canada has escaped the heavy costs inherent in development of new type aircraft as only one of our planes—the Noorduyn Norseman—is of Canadian design. However, due to small orders, short production runs and the fact that the industry was in a state both of expansion of output and transition of types of aircraft costs have ruled somewhat higher than in the U. S. and U. K.

Just how Canada will be able to perform on a cost basis in comparison with other countries should be more adequately proved during this year as the industry swings into large-scale production on modern types of aircraft that are identical with those manufactured in Britain and the U. S.

In 1942, Canadian Pacific Air Lines planes carried approximately ten million pounds of air cargo along Canada's northern defense routes. Photo shows flying freight about to take off from Edmonton to points in the far north. Edmonton is generally regarded as one of the most important Canadian air centres in future "top of the world" air navigation.

The Mosquito—
VISITS OUR PLANT — WHERE
MANY OF ITS PARTS ARE MADE

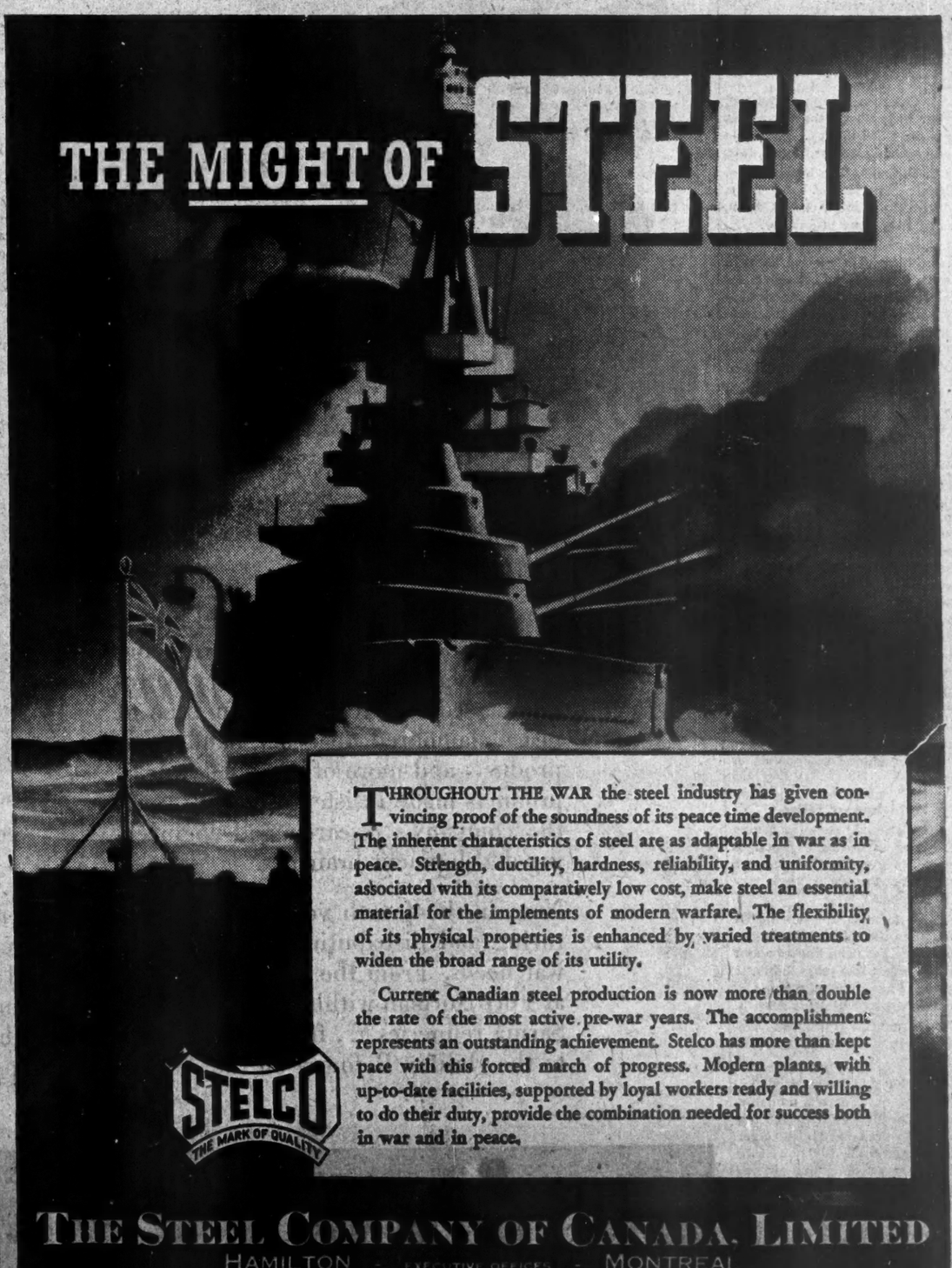
Dipping its wings in salute to aircrafters in our plant who made it possible, the first Canadian-built "Mosquito" recently visited the Cockshutt factory at Brantford.

Our men and women, with a lift in their hearts, proudly realized that, with their own hands, they had fashioned many of the components of this newest Allied weapon.

Besides contributing to the "Mosquito" program, Cockshutt Aircraft Division is turning out parts for the Lancaster, the Catalina, the Anson, and other aircraft used both for combat and training.

COCKSHUTT
COCKSHUTT AIRCRAFT DIVISION
COCKSHUTT HELPS KEEP 'EM FLYING FOR THE ALLIES

THE MIGHT OF STEEL



THROUGHOUT THE WAR the steel industry has given convincing proof of the soundness of its peace time development. The inherent characteristics of steel are as adaptable in war as in peace. Strength, ductility, hardness, reliability, and uniformity, associated with its comparatively low cost, make steel an essential material for the implements of modern warfare. The flexibility of its physical properties is enhanced by varied treatments to widen the broad range of its utility.

Current Canadian steel production is now more than double the rate of the most active pre-war years. The accomplishment represents an outstanding achievement. Stelco has more than kept pace with this forced march of progress. Modern plants, with up-to-date facilities, supported by loyal workers ready and willing to do their duty, provide the combination needed for success both in war and in peace.

STELCO
THE MARK OF QUALITY

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON — EXECUTIVE OFFICES — MONTREAL
SALES OFFICES HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, SAINT-ROMUALD

Canada's Health — A Solution

Proper Eating—Main Health Weapon

To Defeat the Forces of Ill Health, Strengthened By War's Fatigues and Limitations, One Weapon is Ready to Hand — the Proper Foods In the Proper Quantities

Most of us have had an idea that Canadians were the healthiest breed on earth—that our northern climate, our abundance of food, our pioneering background and our wide open spaces had produced a people who, man for man, woman for woman, child for child, were physically superior to the people of any other country.

This notion has been knocked in a cocked hat in the last few weeks by the government's nutrition campaign. Those who are trying to persuade us to improve our eating habits have done some very plain talking about the state of our national health. What is more jarring, they have turned up statistics to prove their statements.

What can we do about it?

Experts reply that we can start the ball rolling by consuming the right kind of foods in the right quantities. They point out that if you don't eat you die, and that, by the same token, if you are only half fed you are only half alive.

Importance of Diet

"Malnutrition is our greatest producer of ill health. Like nearly fresh fish, a nearly adequate diet isn't good enough."

The statement is that of Dr. Thomas Parran, surgeon general of the U. S. Public Health Service, one of the world's outstanding authorities on public health.

Malnutrition doesn't necessarily mean not eating enough. You can stuff yourself three times a day, add snacks between meals and before bed, and still be technically hungry—if your diet lacks essential elements.

One pound of vitamin D would last a billion persons a year. But if you don't get the infinitesmal amount you need, you just won't be up to par.

The iron your system requires daily would fit on the head of a pin, with plenty of room to spare, and a pound will do you your whole life—if you live to be 80. But if you don't get it, you have trouble.

A pound of iodine will last 80,000 persons a year; but, failing to get your annual 1/80,000 of a pound, you quickly develop goitre and other diseases.

Dietary Essentials

There are four elements your diet must have—

1. Calories. They are the fuel your body burns, the thing that provides the energy. The main sources are starches, sugars, fats.

2. Proteins. The building and repair materials of your body, drawn from milk, cheese, meat, eggs, fish, some vegetables.

3. Minerals. Calcium, iron, etc. Milk and cheese are the main sources of calcium, needed for bones and teeth. Iron is necessary for blood, can be obtained from liver, vegetables, fruits, eggs, a wide variety of other things.

4. Vitamins.

Here's a definition of vitamins by one of the leading laboratories—

"A vitamin is one of a group of definite, organic chemical substances of widely different structures and physiologic actions, present in minute amounts in nature, indispensable to normal nutrition, yet itself contributing no energy or building materials to the body. No one vitamin can take the place of another. An adequate supply of each is required at all times for normal growth, development and maintenance of health."

The human body cannot manufacture vitamins, must obtain them from vegetables, grains, meats, milk, butter, cheese, fruits, eggs, or from synthetic compounds or capsules.

Children are Taller

Look around some morning when you are riding to work on the street car, and notice the youngsters who are on their way to high school.

On an average, they are inches taller than the adults. That's because more has been known about diet in the last few years than was known when older men and women were getting their growth.

The Financial Post put this question to a noted anthropologist—

"Are people growing taller?"

His answer: "There is no doubt that in Canada, our children, on an average, are taller and stronger than their parents. I don't believe mankind is altering, but an improvement in nutrition is bringing out physical traits which would otherwise remain latent. Proper foods are developing potential characteristics to the maximum."

While they have a vastly different racial background, the Masai and the Kikuyu, neighboring tribes in Africa who live under the same climatic and other conditions but don't eat the same things, are sometimes mentioned by nutritionists as an example of the influence of diet.

Primitive Peoples

The Masai are herdsmen, eat meat and milk, raw blood, cereals, bananas, beans. The Kikuyu are largely vegetarians. The Masai are an average of five inches taller and 50% stronger, according to a scientific survey.

Or look what happened to our eastern Eskimos. They used to eat an animal from tail to snout, wolfing the insides first. In addition, they ate the animal raw. And so, for centuries, they remained healthy. The whites came along, taught the Eskimos to cook, set the example of only eating the muscle meat and not the entrails.

The Eskimos got sick, began having trouble with their teeth.

Scientists say the reason for this was that when the Eskimos stopped eating the internal organs, such as livers, hearts, kidneys, they stopped getting certain of the vitamins they needed. At the same time when they started cooking their meat, they cooked other vitamins to death.

The experience of the Eskimos points up two lessons nutritionists are now trying to teach—that we should frequently include in our diet vitamin-rich liver, kidney, heart or tripe, and that we should see our food is not destroyed in the process of preparation, by overcooking.

Nutritionists can give you all sorts of examples of what happens when some vitamin is missing from your diet—from the beriberi suffered by the Chinese when they substituted polished rice for the whole grain, to scurvy, dread disease of mariners in former times. Scurvy is caused by a deficiency of vitamin C, a deficiency which can be remedied by adding citrus fruits and vegetables to the diet. English seamen got the nickname "limeys" because the navy made them drink lime juice as a scurvy preventive. Our American Indians prevented it by boiling evergreen needles, drinking the juice. In Champlain's first terrible winter in North America, on an island in the St. Croix River, his life was saved by this Indian remedy, given him by the redmen after nearly half his party had died.

Then there is pellagra, caused by lack of nicotinic acid and vitamins in B complex, and common among the hillbillies of southern United States and in some parts of South America.

But these are extreme cases.

Pellagra and scurvy don't bother us in Canada. What bothers us is the hundreds of thousands of instances in which the vitamin or other dietary deficiency is not marked enough to cause a definite disease which can be traced to such deficiency, but in which a substandard diet causes substandard health, makes people easy prey to all manner of ailments, deprives them of their efficiency.

This appeared in the American Medical Journal—

"Recent reports on induced vitamin B, deficiency bear directly on the importance of a liberal allowance of Vitamin B, for people engaged in war. Restrictions on the intake of this vitamin in a group of healthy subjects, otherwise adequately fed, provoked, among other signs and symptoms, moodiness, sluggishness, indifference, fear and mental and physical fatigue . . . Efficiency for prosecution of a war can be increased by the simple expedi- of providing a very little more of Vitamin B, than the public is receiving."

Read that statement in the light of a survey of 100 low-income families in Toronto reported on by E. W. McHenry in the Canadian Public Health Journal in 1940. It was found that although the men in these families were better fed than the women and children, they averaged only 340 units of Vitamin B, a day, although, to be adequate, a diet should contain 500 units.

"Canada Approved" bread, in which the vitamin content of the wheat is retained, may have gone a long way toward remedying this situation, but B is only one letter in the vitamin alphabet.

Look at the Record

What can the nutritionists promise us if we take their advice?

In answer to that they point to the record. They point to the inches added to the height, the pounds added to the weight, of boys and girls in the last 20 years. They point to the familiar experiment in Canterbury, England, in 1939, in which 834 men rejected as unfit for military service were treated for a few months with proper diet and other hygienic measures. Of these men, 87% were later fit for the army, only 5% of the 87% were subsequently discharged for physical reasons.

They point to experiments in industrial plants in Canada and the United States, where employees have been given milk. At one plant a decrease of 30% in accidents was noted when employees were given milk midway through the morning and midway through the afternoon. It has also been shown that this decreases errors, brings fewer absences from illness, tends to stimulate production.

At one plant where employees were given milk and fruit, production rose 4%, errors decreased 8%, and 76% of the workers said they felt better and were less tired and nervous.

For a civilized country Canada has a high infant mortality rate, and quite a high maternal mortality rate. Nutritionists point to what can be done to lower these rates, through proper diet. In southern England and Wales, maternal mortality was 6.3 per 1,000 among 18,854 mothers who ate ordinary food. The maternal mortality rate among 10,384 mothers who had ordinary food plus protective foods, such as milk and orange juice, was only 1.6.

A similar experiment carried on in Toronto, on a smaller scale, showed comparable results—both maternal and infant mortality decreased, and better health in both mother and baby.

Nutrition and Management

That Canadian management is now awake to the importance of nutrition is indicated by a survey of 363 war industries, which employ more than one half the total number of war workers. This shows that 27% have cafeterias, 41% have canteens, 20% have mess rooms, 4% have dietitians.

Another sign is that many plants are distributing literature urging employees to—

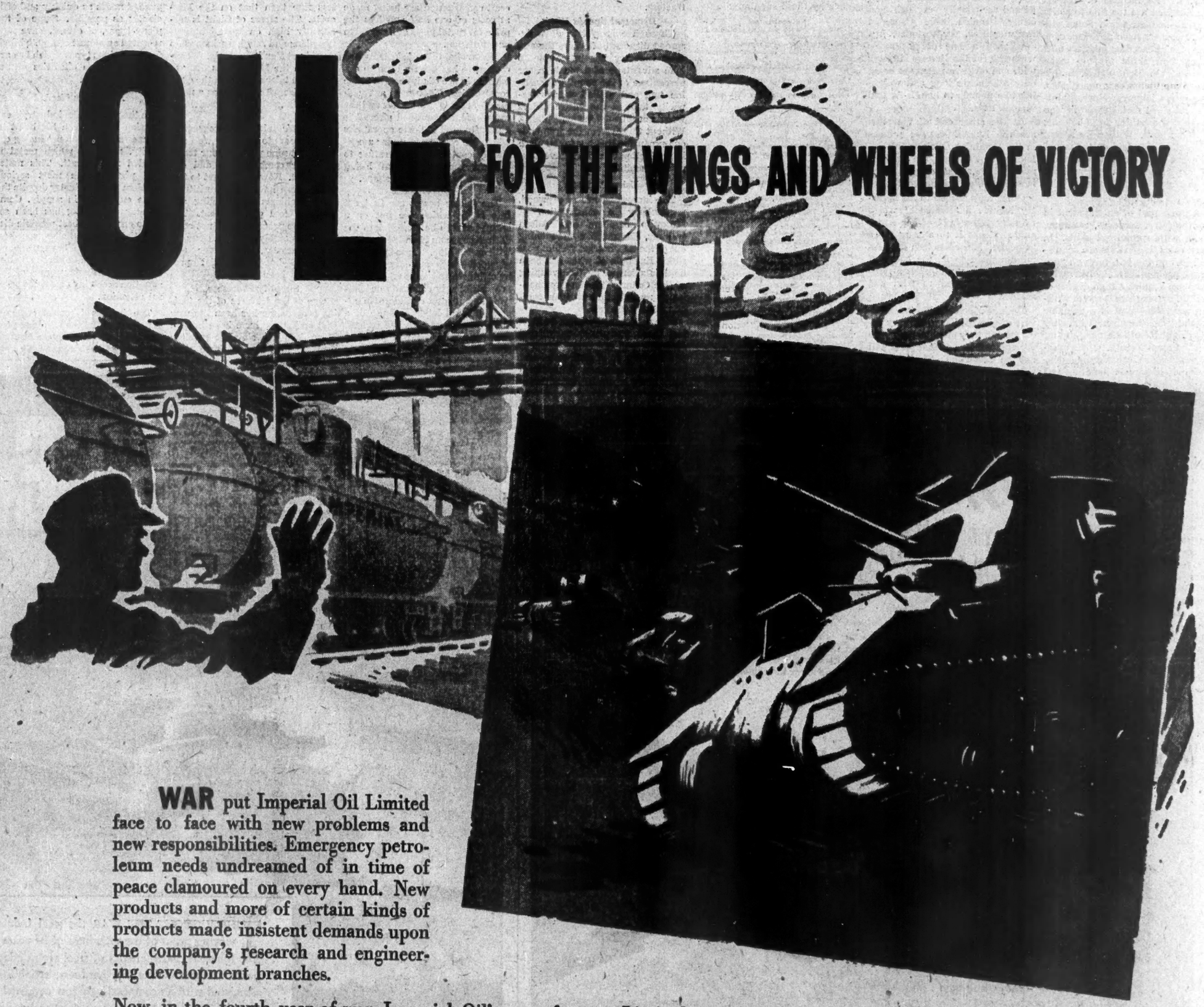
1. Eat a good hearty breakfast before coming to work. You will avoid that let-down feeling between meals.

2. Drink milk every day. It is the best pick-up of all.

3. Eat Vitamin B breads every day. They help relieve jittery nerves.

4. Eat another vegetable besides potatoes every day.

5. Take tomato juice or fresh fruit juice for a refreshing drink.



WAR put Imperial Oil Limited face to face with new problems and new responsibilities. Emergency petroleum needs undreamed of in time of peace clamoured on every hand. New products and more of certain kinds of products made insistent demands upon the company's research and engineering development branches.

Now, in the fourth year of war, Imperial Oil's manufacturing and distributing activities are largely devoted to war needs. From the world's most northerly oil refinery at Fort Norman within the Arctic Circle to the mammoth Sarnia refineries . . . from the Ioco Refinery on the Pacific to the Halifax Refinery on the Atlantic . . . Imperial Oil Limited is making and transporting vast quantities of products essential to Canadian war industries and specialized fuels and lubricants for the thousands of vehicles in Canada's army, navy and air force. For Imperial Oil Limited to engage in the war with all its strength is a privilege and sacred duty.

IMPERIAL OIL LIMITED

New Techniques

Mass Production is Secret Behind Canada's Air Growth

Subdivision of Jobs, Extensive Use Modern Equipment, Increased Application of Automatic Machines Have Revolutionized Technical Methods

The epic expansion in Canada's aircraft industry is a tribute to Canadian planning skill. Here is an industry that is supposed not to lend itself to mass production methods, yet volume of output has been increased over 100 times in three years.

That increase is not the whole story. At the same time there have been wide-reaching changes in the types of aircraft made. That means thinking ahead for months. With the present availability of materials an aircraft producer must make plans today for what he will produce a year from now. When production is changed over to a new type of aircraft, there can be an overlap of nine months for tooling up.

Production engineers point out that the guiding principle of the engineering office of an automobile plant is production. A unit is not designed from the point of view of its function only, but also how it can be produced best in mass quantities. In the aircraft industry, however, positions are reversed; function of the part is the primary consideration. This fact makes one of the major headaches for the mass production engineer.

Simplified Control

As experience grows the intricacy of aircraft construction is gradually giving way to a greater degree of simplicity. Boiling down the complicated procedure of putting a plane together to the simplest possible components is one of the methods that has allowed Canada's tremendous expansion in aircraft production. Typical of this type of production practice is the simplified control system being used by Fairchild Aircraft at Longueuill, Que., recently reported on by E. C. Rechel, operations manager.

In breaking down operations at Fairchil the plant was divided, where physically possible, into a group of small plants each making one component, that is, not only in the ope ations of productive departments but right through the whole organization back to the material stores.

Group Plan

All the way through at Fairchild parts are grouped in the units that produce the subassembly. Orders are issued to workmen on this same principle; in no case is an order for one part issued to a department for production without the corresponding orders for the parts necessary for the complete unit concerned. Shortages are corrected, not by chasing up individual parts when discovered at assembly, but by speeding up production in those sections of the departments that make the parts required for the assemblies where it shows that a future shortage will occur.

Throughout the entire system of controls the supervisor, checking conditions, can ascertain the cause of a holdup before it occurs, by following a very narrow path from the assembly department to the detail part manufacture and materials, and dealing mentally with only, say, fifty items as against a possible thousand.

This method of grouping goes back to and includes raw material and proprietary parts which can be broken down and simplified into groups of a few hundred items, instead of tens of thousands of parts. In other words, the watchword is "assemblies" and not "parts."

Fairchild found that application of control of parts by groups, instead of by items, created a coordinated flow which permitted a 100% increase in production in a period of three months.

Indicative of the extraordinary growth of this industry is the following:

Aircraft Industry Employees	
Dec. 31, 1939	4,948
Dec. 31, 1940	15,802
Mar. 31, 1941	23,643
June 30, 1941	26,197
Sept. 30, 1941	30,795
Dec. 31, 1941	37,379
Mar. 31 1942	43,720
June 30, 1942	47,970
Dec. 31, 1942 (approx.)	75,000
Dec. 31, 1943 (est.)	100,000

A considerable simplification through concentrating on nine types of aircraft has helped to speed production. Before this policy was established, efforts had been spread over the manufacture of 15 types of aircraft at one time or another.

Repair Business

In step with the growth of aircraft production has been the overhaul and repair end of the business, which has grown into a major industry. It is estimated that this business now runs around $100 millions annually. In 1941 it handled $25 millions of work.

A plane must be overhauled after every 400 to 700 hours of flying. This is a complete job; it must be torn down completely and then reconstructed. Motors must be overhauled from two to three times as often as the airframe. In addition to the regular overhaul business, there must be repairs to planes damaged in accidents. Depending upon the complexity of the plane the overhaul of a single aircraft may run from $1,500 to $30,000 or more.

To handle that business there are an estimated 20,000 workers. The work is being done in plants all over the country; some are privately owned, most have been built or financed by the Dominion government, but all are under private management.

Cross-Canada Chain

That chain of overhaul and repair shops across Canada includes such well-known names in the aviation field as Cub Aircraft, Pratt & Whitney, Canadian Car, Ottawa Car, de Havilland, Prairie Airways, many another. These shops overhaul around 15 different types of engine ranging from the Gypsy of initial trainers, the Jacobs which powers the Avro "Anson" and Cessna "Crane" to the Rolls-Royce Merlin which powers the Hurricane. Around 25 different types of aircraft are handled, ranging through the whole field of production from initial trainers to first-line fighters and bombers. Each plane represents literally thousands of parts to be checked.

The great bulk of the repair and overhaul work on aircraft in instructional and operational use in Canada is supervised by the Repair and Overhaul Division of the Department of Munitions and Supply. Officers of this division are on duty at Montreal, Toronto, Winnipeg and Edmonton. The Overhaul Division does all major modification work in addition to the maintenance job. The installation of power turrets is an example of this class. Winterizing of aircraft is another job, as well as the erection of all aircraft originating outside Canada that are not flown in.

Prefabricated buildings of sturdy construction which can be easily shipped, quickly assembled and are of different types suitable for housing troops, and varying climates have been developed by the U. S. Army Corps of Engineers.

Produced 6,500 Planes

Canada has now produced a total of 6,500 airplanes since the time of Dunkirk.

That fact illustrates Canada's aircraft industry has met the all-consuming drive for more speed and better planes. In three and a half years this industry has grown from crawling infancy to hard-hitting maturity.

At war's outbreak there was something like 40 aircraft produced annually in Canada. Today there is a production of about 400 planes a month. Canada is looking after a substantial part of the Joint Air Training Plan requirements, it is building operational planes for the R.C.A.F., large orders for training and service planes have been accepted from the United Kingdom and the United States.

The demands of war have forced a complete revolution in the way of thinking of the aircraft industry. In the first nine months of the war Canada turned out around 200 planes, mostly elementary trainers. The fall of France, expansion of the Joint Air Training Plan, the pressing urgency to get fighters into the air meant an increasing emphasis on the building of aircraft for service flying.

That revolution has been weathered by Canadian brain power and plain hard work. Facilities have expanded astronomically. Prewar floor space occupied by the industry totalled some 500,000 sq. ft.; today it is over 3.5 millions. Number of prewar employees averaged about 1,000.

The fast tempo of air war has rendered some of the early types made in Canada obsolete; production schedules have shown that other types can be turned out more efficiently. Canada is concentrating now on nine types of aircraft.

This plan represents the complete growth of the Canadian aircraft industry from the days when it was capable of turning out only a very limited number of elementary trainers to the present ability to produce a complete range of aircraft, from initial trainers to first-line fighters and bombers.

Newest debutante in the list of Canadian-built planes is the PBY5 Catalina amphibian, the first of which was launched by Boeing of Canada last July 27. This twin-engined coastal patrol plane weighs 17 tons fully loaded and has a wing spread of 104 ft. Costing close to $250,000, the Catalina is composed of more than 100,000 parts and requires well over 100,000 man hours of work to produce. It has what is reputed to be the greatest range of any two-engined bomber in the world.

Canadian Industrial Firms Back Nutrition Campaign

Because time off for sickness handicaps war production, Canadian industrial firms are strongly behind the national campaign to promote health through nutrition.

Here is the programme of one Canadian company, Beatty Bros. Ltd., Fergus, Ont., to keep its workers on the job:

1. Encloses green inserts from Nutrition Services in its house organ "Victory News" regularly. When no insert was available for December the company bought one covering nutrition in relation to the common cold.

2. Published leading article and series of shorter articles on nutrition in January issue of house organ.

3. Distributes to key officials mimeographed extra copies of nutrition bulletins with letters of explanation.

4. Featured the campaign opening on 35 departmental bulletin boards.

5. Marked opening of campaign by giving an orange to every employee at the exit door.

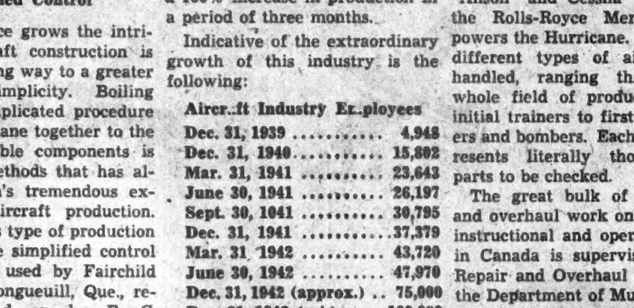
6. Later in the month gave every worker a half pint of milk at his work.

7. Arranged news coverage of campaign in local newspapers.

8. Features "eat-right, feel-right" slogan on aisle poster boards.

9. Undertakes to keep hammering away on nutrition in every appropriate way from now on.

Wood-Working Skill at the Service of "FLEET"



Fleet Aircraft's famous Fairchild "Cornell" Trainer embodies many parts made by Dominion Electrohome's expert workmen including

PLYWOOD SEATS FINS STABILIZERS
COMPLETE WINGS

Our entire woodworking facilities now devoted to aircraft.

DOMINION ELECTROHOME INDUSTRIES
LIMITED
KITCHENER, ONTARIO

Peace-time manufacturers of
Deilcraft Fine Furniture — Phonola Radio Receivers —
Electrohome Fans and Airconditioners

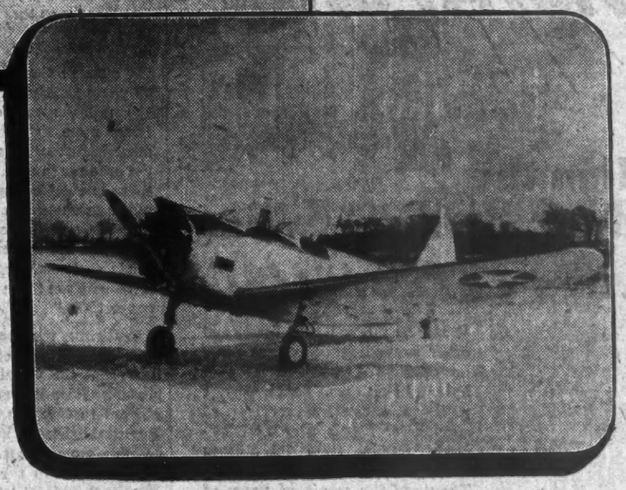
PRODUCING
PRIMARY TRAINERS
FOR THE UNITED NATIONS

THE "CORNELL"

An adaptation of the primary trainer originally engineered and designed by Fairchild Engine and Airplane Corporation of Hagerstown, Maryland, U.S.A., the Fleet "Cornell" marks an important forward step in elementary air training. The performance and design of this machine permits students to move from elementary to advanced trainers with considerably increased ease and speed.

WITH its entire manufacturing facilities now devoted to production of the Fleet "Cornell" and the PT-23, Fleet Aircraft, Limited, is well ahead of schedule in its output of these new planes which have been adopted as standard primary trainers for the Combined Training Organization of the United Nations.

Since its inception in 1929, Fleet Aircraft has been closely identified with the production of military training aircraft in Canada. Fleet Trainers were used by the R.C.A.F. long before the war and hundreds more have been supplied under the British Commonwealth Air Training Plan.



THE PT-23

Also manufactured by Fleet Aircraft, these machines are being produced as primary trainers for the U.S. Army Air Corps.

Making planes today for pilots of tomorrow is a job in which every employee of Fleet Aircraft takes sincere pride. In the Fleet "Cornell" and the PT-23 they are making planes in which instructors and students have that prime requirement of air training —confidence in a good aircraft.

FLEET AIRCRAFT
LIMITED
FORT ERIE ONTARIO

Progressive Conservative Platform: Natural Resources

To Preserve Our Heritage

See Mineral and Forest Wealth Bulwark of Future

By ROBERT C. STARK

This is the fifth article of a series dealing with the seven planks of the Progressive Conservative platform. These articles will discuss the individual clauses that make up each plank. They are presented to show differing Conservative and Liberal philosophies, and to give a clear impression of a document whose economic importance may be as great as its political significance. The black face paragraphs are verbatim planks from the new platform.

With her productivity and general welfare heavily dependent upon the condition of her natural resources, Canada does well to give much thought to that heritage. Should the ability to turn out large quantities of raw materials become impaired the whole Canadian economic structure would deteriorate, for despite the Dominion's increasing industrialization it is still primarily a raw material producing nation.

Canada produces something like five times her own consumption of wheat, ten times her own newsprint consumption, twenty times her own consumption of non-ferrous metal production. To maintain that export position there has had to be a large capital investment at home—in factories, mills, handling and shipping facilities, electric power developments.

"Yes, I know one lawn mower gives enough scrap for six 3-inch shells."
Drawn for O. W. I.

To the important subject of Canada's natural resources the Progressive Conservative convention at Winnipeg gave a separate plank, the three clauses of which are reproduced verbatim below in black face type.

● We affirm our conviction that Canada offers to its people opportunities for advancement and security unequalled by any other nation. The destruction of war alone will result in colossal demands for those materials and products we have so abundantly at our command. The filling of these demands and of our own constantly increasing needs should assure not only work to all Canadians but the opening of vast new fields of opportunity to our youth.

One prominent view in this regard is that while Canada may have a tremendous potential wealth in its natural resources, they are of no particular value until they are opened up. John R. MacNicol, Conservative member for Toronto's Davenport riding, mentions northern New Brunswick as containing a lot of splendid resources but it is largely unsettled country and needs roads to open it up. He goes on:

"The same thing applies to northern Quebec. Lower Quebec is well roaded, but if you go up to the new part of Quebec, east of James Bay, there is no such thing as a road after you get a mile or so away from the odd settlements on the shore. Northern Manitoba is a little better off, but there again once you pass Dauphin the roads of northern Manitoba are not anything like the roads which we have down in this section of the country (southern Ontario); and in my opinion if roads were built there would be a large settlement in through there.

"The same condition applies to northern Saskatchewan and northern Alberta. . . . Northern Alberta and northern British Columbia are areas in which a large number of men can be put to work immediately because of the fact that the areas themselves are virgin for settlement. In northern portions of B. C. there are many valleys that surpass for productivity anything found in Switzerland, and there are wonderful opportunities for settlement, but you cannot get into those districts.

"Northern Alberta, north of the Peace River, is undoubtedly the last large area that is possible for land settlement, but again it is unroaded. I think it is a shocking outrage that during the past 30 years farmers living as far as 100 miles north of the Peace River have to come down over most indifferent roads. . . . In the area north of the Peace River there is a golden opportunity for putting thousands of men to work preceding settlement, providing roads for the incoming settlers—roads such as were promised to those who are there now but were never built."

● Realizing the immense economic importance of the tourist trade and the possibilities of improving friendly relations with visitors to this country, we urge the establishment at the earliest possible moment after the war of a department in the Natural Resources Branch at Ottawa, to promote and co-ordinate the numerous organizations throughout the country and where deemed necessary lend financial assistance to re-establish this industry.

In 1935 the Canadian Travel Bureau was formed as a result of a Senate enquiry. That gave Canada for the first time an organization definitely charged with fostering and developing tourist trade. Through a national co-ordinating committee the Travel Bureau has been co-operating with provincial tourist bureaus, national parks, the Foreign Exchange Control Board and with transportation companies and other organizations interested in the tourist business.

In wartime the job of the tourist promotional bodies was first to counteract enemy propaganda in the United States aimed to hurt the tourist trade by dissuading Americans from visiting Canada. Since the U.S. entered the war and transportation difficulties have mounted the main effort has been not so much to stimulate tourist travel but to keep a continuing interest in Canadian tourist attractions alive in the United States.

● We recognise that all administrative practice should be governed by the fundamental principle that our natural resources should be conserved and developed primarily for the welfare, education and health of our own people. These resources of field, fisheries, forest, mines and waters can create for the manhood and womanhood of Canada, and especially for youth, opportunities that will not be equalled elsewhere in the world. We pledge ourselves to develop our resources so as to create such opportunities for all Canadians.

The Parliamentary Committee on Reconstruction and Re-establishment has discussed the matter of Canada's natural resources in some detail and has heard evidence from Dr. R. C. Wallace, principal, Queen's University, and chairman of the Subcommittee on Development and Conservation of Resources.

On conservation of Canada's important forest wealth Dr. Wallace has observed that contrary to the general feeling that the way to deal with worn out forestry areas is by replanting, there is a feeling on the part of forestry men who know the situation that the greater part of the problem can be faced by looking after the young growth in territories that have been cut or burned, rather than by replanting. It is admitted that replanting is needed in some areas but it is an expensive process. Sylvaculture, or the handling of areas in the right way, according to the best forestry practice, will bring back by natural growth the depletion that takes place either through industrial use or forest fires.

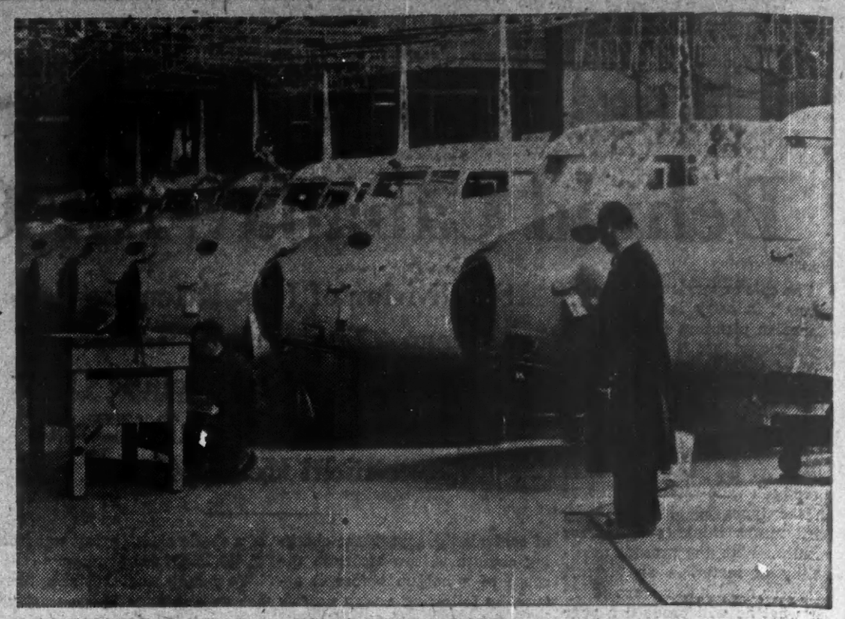
Need Roads

Dr. Wallace has said that one of the problems that faces forestry is greater assistance from the governments. Other resources, mining particularly, have had roads built or other structures made possible to help out that industry, but forestry has had very little done in the way of construction.

He has declared that two things are needed in forestry: one is public works and roads extending back into the leases so that the best possible region of cutting can be carried out rather than taking an area in a swath. Roads should be available so that cutting can be done according to the best forestry practices and that calls for roads extending back through the available areas. Second thing needed is a corps of young men trained to do the work of productive forestry, sylvaculture, and utilization of timber.

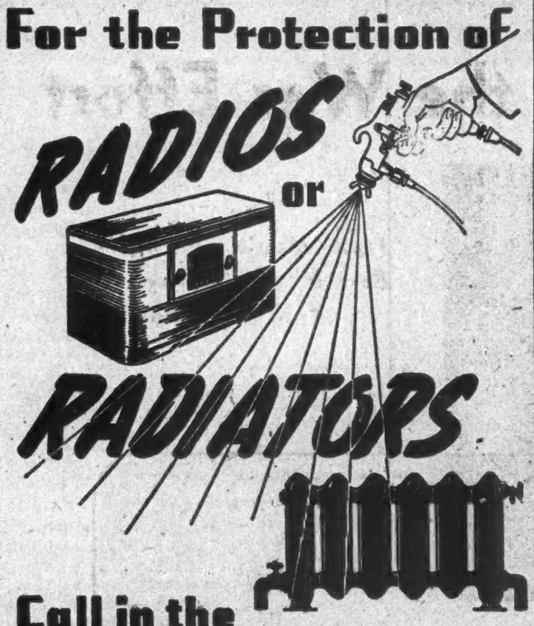
It is considered, said Dr. Wallace, that there is ample reserve for the pulp and paper industry in the forests of Canada, but it is definitely stated to be the case that the cutting is on a much too excessive scale in the narrowed-in areas available to the mills. This points the need for better communications.

Regarding the mineral industry Dr. Wallace has observed that mining is likely to be in a very difficult situation when the war is over. Very few properties are coming up to production and it takes a long time to develop a property to the production stage. He suggests that part of the problem might be met by increased governmental assistance—that it would seem advisable that governments should consider mining in the light of the future, in the light of the total resources of Canada and spread the values in income that they may obtain over a longer period of time. Added incentive might be given the prospector by bonusing finds so that he might be able to turn them over at a reasonable figure.



One of the most important technological changes the war has brought has been the development of mass production technique in aircraft. This line-up of Anson twin-engined training plane fuselages is typical of the development in Canada. The transition from mass production of trainers to mass production of commercial ships would be easily effected, provided there is a sufficient demand.

For the Protection of



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Our Place in the Future

Canada as Empire Centre

Geographer Says Our Nation Has Great Destiny Ahead

Canada's war industries, and aviation in particular, have developed an insatiable appetite for aluminum. Scheduled to be producing at the rate of a billion tons annually by the end of the year, Canada's aluminum production will by then have increased almost tenfold.

Canada's achievements in trade and industry, her geographical position and natural resources, have led to frequent predictions of a leading place in the world of the future.

A role as centre of the British Empire, joining hands with the United States as champion of democracy and liberty, is seen for Canada by Griffith Taylor in "Canada's Role in Geopolitics," published by the Ryerson Press, under the auspices of the Canadian Institute of International Affairs. Mr. Taylor is professor of geography at the University of Toronto.

Starting from the premise that certain areas in the world are clearly the best suited for the development of large numbers of vigorous peoples, he finds essential features of these areas to be attractive climate with the temperatures neither too hot nor too cold and an adequate rainfall.

Geographical Position

Whereas Australia lies in latitudes too hot for the easy development of a large European population, so Canada lies in latitudes too cold for the easy development of a large proportion of her area. Latitude 50 degrees north runs through Winnipeg and Anticosti Island. Most of Canada's population, though not the bulk of her territory, lies just south of this latitude.

Four great areas of world population and power are listed by Professor Taylor as:

Europe, where 500 millions live in a continent essentially saturated as far as population is concerned.

Eastern Asia, with a population of about 500 million and a low standard of living.

India, with 300 million people.

Part of North America bounded by the cold lands of the north and the arid lands of the west. In this area are included the districts around Lakes Erie and Ontario and southern Alberta, which Mr. Taylor sees as likely some day to be a region of notable population.

Suggesting that lands between 35 and 50 degrees of latitude are the best belts of the seven continents, Professor Taylor classifies the lands of the world, with examples, as follows:

Best temperate lands, between latitude 35 and 50, excellent for man and crops, example France.

Cool temperate, between latitudes 50 and 65, satisfactory for man, crops fair, example Canada.

Dry semi-tropical, between latitudes 15 and 35, desert in west and centre, very good in east, Australia.

Wet tropical, latitudes 0 to 15, excellent for crops, poor for man, equatorial lands.

Polar, latitudes 65 to 90, very poor for man and crops—tundra, etc.

Canada accordingly is in the second best zone as far as temperatures are concerned.

But there are other factors to be considered, such as location as regards air travel. As the direct air route between many centres of population, especially in the northern hemisphere, pass over Canada's polar regions, Professor Taylor sees Canada in a preferred position.

Canada's resources are also seen by Professor Taylor as enabling her to take a leading place in world economics.

Among the resources he mentions lumber, paper-pulp, newsprint, water power, fur, wheat, minerals, fisheries.

Mineral resources of Canada are seen as especially outstanding.

The Laurentian shield, Professor Taylor points out, comprising over half the four million square miles of Canada, is only surpassed in size by a similar area in Russia. Its development is one of the greatest geographical problems of the country, for it contains not only mineral wealth but forest and agricultural lands as well.

He picks out for special note the radium-bearing field at Great Bear Lake, the complex ores of the Sudbury area containing copper, nickel and platinum, the gold fields of northern Ontario, the copper-gold field of northern Quebec, the Flin Flon copper-zinc mine of Manitoba, and the Sullivan lead-zinc mine in British Columbia.

These resources have put Canada in first place among nickel producers, second in gold, fourth in copper, fourth in lead, fifth in zinc.

Two non-metallic minerals of importance are asbestos, of which Canada is the greatest producer in the world, and coal. The coal fields of Alberta, while producing a coal not equal in quality to that of Nova Scotia or the United States, Professor Taylor believes, is more valuable than the brown coal used in Europe and by its very volume is bound to be of great economic importance.

Although the richest iron resources in the world are about 60 miles over the border in the United States, Professor Taylor points out Canada has available large iron resources.

In these he includes the Bell Island territory of Newfoundland and deposits near Lake Superior and in Michipicoten.

Rival Economic Areas

The main rival economic areas with the commodities produced are: the United States — wheat, coal, lead, zinc, copper and iron; Latin America — silver, copper, platinum and wheat; Africa—copper, gold and asbestos; Asia—coal and platinum; Australia—wheat, lead, zinc and nickel; Europe—lumber, paper, pulp, iron and wheat.

Professor Taylor finds suitable for far greater population the Laurentian shield, the relatively level area of the prairies, the folds and uplands of the Rockies.

The prairies he sees as the best. Soils of the shield, while poor, he finds no worse in general than similar lands fairly well settled in Finland. The land available for settlement in the third area, he states, is limited to the lower basins such as around Prince George, B.C., or terraces along the rivers in the valleys of the interior. Unfortunately much of this region with a reasonable temperature is very dry.

Unfavorable temperatures in northerly areas, he indicates, is a bar to settlement as long as more favorable areas are not saturated.

In certain areas, presence of valuable minerals has hastened settlement, as around Timmins.

Great Clay Belt

In the great clay belt, he states, are about 36 million acres of soils much better than the average run of those on the Laurentian shield generally. But facing farmers there are hardships such as bad drainage, summer frosts, transport difficulties, distance from markets. Professor Taylor believes these difficulties are all inherent in a pioneer fringe, and in spite of them success in this area must come sooner or later.

In seeking a solution of Canada's problems, he feels strongly that we can learn much from watching the projects and research of the Soviet Union. Canada and Russia, he claims, are very similar in some ways, especially in that both countries have large areas with reasonable rainfall and temperatures above 56 in July. But Russia has a population of 170 millions, about 14 millions having settled in Siberia in the last 30 years, while Canada has a population of 11.5 millions. In Canada density of population will probably spread much as it has done in Siberia in recent years, he believes. The Russian birth rate is high and in some quarters a population of 340 millions is predicted by 1975. Accordingly, Professor Taylor emphasizes, while Canada has about half the potential settlement country that Russia has, she cannot possibly be saturated with a population of 11.5 millions.

What is the possible white population of the various areas?

Assuming Europe as a guide, with 500 million population, he estimates possible populations as follows: Canada, 100 millions; United States, 500 millions; Argentina, 100 millions; Australia, 60 millions; Siberia, 200 millions; South Africa, 80 millions. These estimates are based on a living standard of the European level.

If a Canadian standard of living were used he estimates the potential population of Canada would be at once halved. The Silesian farmer, he points out, farms 40 acres successfully, the Canadian farmer 400. Here he sees possibility of placing 10 farms where one exists today.

The great populations of central and northwest Europe, he finds, are based on exploiting coal for fuel and power. Some day Professor Taylor thinks we may use Alberta coal the same way. Thus, if in the distant future we decide to lower the standards, split up large farms, and develop our coal to the utmost, a population of 100 millions is not altogether visionary.

Geographically, he points out, Canada is the farthest Dominion from the centre of gravity of the Empire, which he finds somewhere near India. The scattered location of Empire countries he contrasts with that of Russia, which is fairly compact, but if the British maintain friendly relations with the Russians then he sees the two forces of Russia and the Empire having a strangle hold on Germany and the Japanese because they control strategic areas.

Grouping together nations with a completely European culture, as distinct from Oriental or partly non-European culture, he puts Canada in the middle of a European culture bloc.

He is a strong protagonist of a future world state with all nations free and equal. He sees no reason why different racial or cultural groups should not live harmoniously together.

But he also sees possibility of a prolonged economic struggle between occidental and oriental. Canada, he believes, may be less affected by this than any other region, being situated right in the midst of a group of kindred European cultures.

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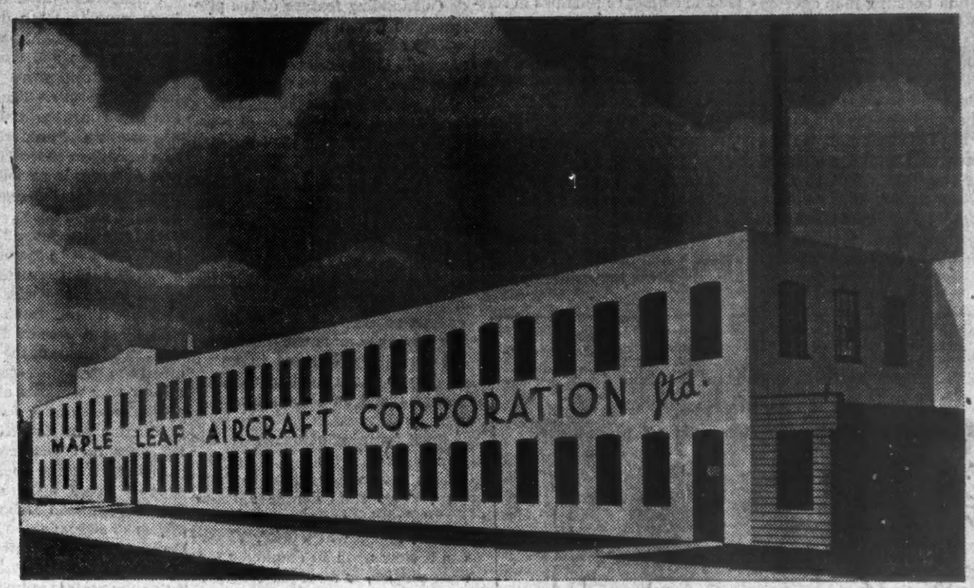

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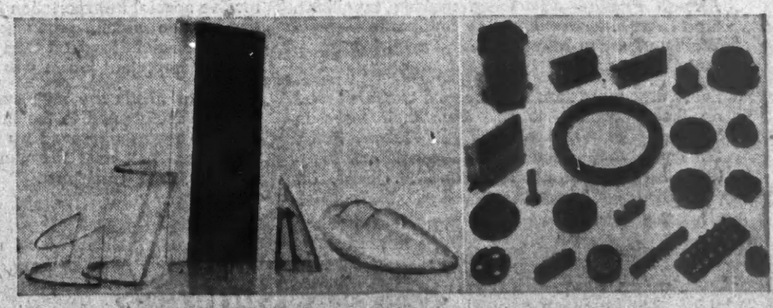

PLASTICS DIVISION OF

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OSHAWA, ONTARIO

The Home Front

How RCA Boosts Employee Morale

Higher Production, Less Absenteeism Reflects Drive

If all-out war production efficiency is to be secured, then the worker must not only be brought to the job but the importance of the job in relation to the war effort must be brought home to the worker. That is the basis of the production boosting plan developed and being carried out by RCA Victor Company Limited with head office in Montreal. Thought underlying the programme is that an effort must be made to impress upon the employee the fact that he or she is participating in the war effort as a member of a team and that the employee should be given recognition for his or her efforts.

Supplying important quantities of radio communications equipment for Canada's armed forces, RCA Victor has had to expand to meet demands and is now operating a vital war plant. It has therefore encountered morale problems similar to those in other Canadian war industries and has taken active steps to solve these problems.

The company approached the entire question of employee morale and employee relations in relation to the demand for greater production. The programme has been planned on that basis, all steps and activities being definitely associated with the need for increasing production, and is carried out through the Greater War Production Committee established last spring. On this committee, management and labor are equally represented; at regular meetings there is free flow of thoughts and expression and workers know that they are being listened to by management.

"Can you lend me a cup of Thermite—I just need a little to finish up a batch of incendiaries!"

RCA Victor's Boost Production programme is a continuous effort, it is high-lighted by a number of features which demonstrate the importance of well-planned morale activities.

Merit Award Plan

Outstanding feature of the programme which has now been in effect since spring is the Merit Award Plan introduced in November. This is based on the principle that, as Canadian soldiers, sailors and airmen on active service receive awards for distinguished service, so too should workers on the production front be recognized for distinguished service in war work. A rating card was drawn up by the plant superintendent, in co-operation with section foremen, with points being awarded for each of ten items. Seventy-five out of a possible 100 points entitles the worker to an award of a colorful certificate, couched in terms similar to those used in military citations, and an elaborate award pin.

Merit Award winners who maintain their records for a second month have a star added to their pins. Two stars denote a three months' period and three stars, the highest honor which RCA Victor can bestow upon an employee for such service, is awarded for four months of outstanding ability, continued excellence of production service and devotion to duty.

The first items on the point card which cover absenteeism and lateness are mandatory. No worker can qualify for a Merit Award unless he has a clean record on those points. After that ratings are compiled by committees in each department which are made up of foremen and workers and awards are based on those work records. Awards for the month are then presented to the winning workers at a special ceremony which has something of the attraction for plant workers that an investiture has for winners of military awards.

Beurling Makes Awards

Awards for November, the first month during which the plan was in operation, were made early in December with Pilot Officer Beurling, the hero of Malta and a former RCA Victor employee, presenting the pins and certificates individually to each award winner. The ceremony is said to have had recognizable effects on employee morale.

Considerable time and thought have gone into the development of this Merit Award plan, but company officials and worker representatives can prove that it has produced results. The foreman of one department with 191 employees, mostly girls, reported a reduction of 52% in absenteeism during one four week period. Another foreman with 135 employees reported a drop of 38%. During the week from November 27 to December 3, the entire factory reported a 3.09% absenteeism figure compared to a spot check average of over 5% during previous periods.

The Merit Award Plan is the most spectacular of the company's efforts to provide recognition for all-out war workers and develop a plant-wide desire for increased production but its success is due not only to effectiveness of the plan itself but the background of support given by the all-round Boost Production Drive. The employee newspaper, "Production Booster," builds up interest in this plan, as well as other features of the drive; posters are used liberally and effectively throughout all departments; bulletin board announcements tie in with drive activities and special internal campaigns are conducted for suggestions, safety activities, etc.

Heed Small Things

Importance of the series of small pin-pricks which are often sufficient to upset operating efficiency completely is not overlooked by the Greater War Production Committee. Recommendations are considered covering such things as speeding up pay lines, arranging for employees to be given at least a half day's notice when overtime is required, improving drinking fountain facilities, relieving congestion on factory stairways by arranging for extra entrances and more punch clocks. These small details often do as much to affect employee morale as bigger problems which would ordinarily monopolize the committee's attention. For instance, the height of the spout of water from the drinking fountain is an important consideration for workers who use it every day.

In the daily rounds such things as these bulk large; many a major labor problem has had its roots in an accumulation of minor annoyances that could have been easily ironed out if brought to the attention of those responsible in time.

Politeness Pays

This part of the continuous programme could be summed up mainly as showing consideration for the comfort of employees and a recognition of the fact that politeness and consideration pay in industry as much as in society. One recent indication of this consideration for workers was shown recently when a plant expansion resulted in temporary removal of the plant cafeteria to a more distant location. This did not present a serious problem but it did offer an opportunity for furthering sound employee relations. Employees were advised well in advance, both through the company publication and through posters and notices on bulletin boards and at the old location, that the cafeteria was being relocated. And to minimize inconvenience for workers extra time was added to rest periods.

Chairman of the Greater War Production Committee is A. Usher, RCA Victor advertising manager. Mr. Usher has brought to the overall drive, and to the featured sections of it, proved advertising principles, but he has also been careful to see that all plans and projects are based on sound, practical knowledge of plant superintendents, foremen and representatives of the employees. When the Merit Award Plan was formulated, for instance, the rough outline of the rating card was drawn up by Mr. Usher but the final rating system was prepared by the superintendents and foremen.

Suggestion system of RCA Victor Co., Montreal, was bringing in around 42 entries a month. To stimulate interest a special drive was put on for a month; the suggestion box was dressed up attractively, paper and pencil were made available at the box. During the month of the drive 301 entries came in, a 617% increase over the precontest average. Interest is still keeping up with a steady flow of suggestions coming in at a rate well ahead of that before the drive was put on.

Then, when it came to judging rating cards and making awards, this was turned over entirely to the department sub-committees which consist of foremen and employee representatives from each department.

Suggestion Results

Like most large plants, for example, RCA Victor has a suggestion system by which employees are encouraged to make suggestions that will help save materials, lower cost and speed up production. A complete new suggestion box was designed, paper and pencil were made available right at the box, a bonus of handsome ash trays was offered for accepted suggestions, in addition to cash awards, and all the technique of successful advertising and promotion was applied to make this drive a success. So enthusiastic was the response that during the month of the special campaign 301 suggestions were entered, a 617% increase over the pre-contest average.

That return, of course, demonstrated peak interest during a live campaign. But it has not been permitted to drop since. Suggestions now, several months after the special campaign concluded, are still coming in at a high rate, far above the previous average.

Another feature of the programme is presentation of silk flags to the department with the lowest percentage of absenteeism and lateness. Awards are made weekly and in each case the foreman of the department losing the flag presents it personally to the foreman of the winning department, at a short one-minute ceremony. Competitive spirit between departments is thus developed.

Production Boosters

Solid background for the entire Boost Production drive is the employee newspaper "Production Booster" which was planned and designed as part of the drive itself. Every issue is keyed up to the drive for greater production and activities of the production committee are headline news.

Workers winning Merit Awards, for instance, are given prominence in the plant newspaper. Typical note in the plant paper is:

"A Production Booster in good standing is Olga Masuik who, after her regular stint from 1 p.m. to 5.30 p.m. on the chassis assembly, works till 10.30 p.m. every night assisting the government instructor—Saturday p.m. included."

For noteworthy performance an entire department may be given the spotlight:

"Another really fine example of production boosting was provided a week ago Sunday by the girls and boys over on the 5th floor switch assembly.

"Comes Saturday and schedules were slipping on communication

(Continued on page 9)

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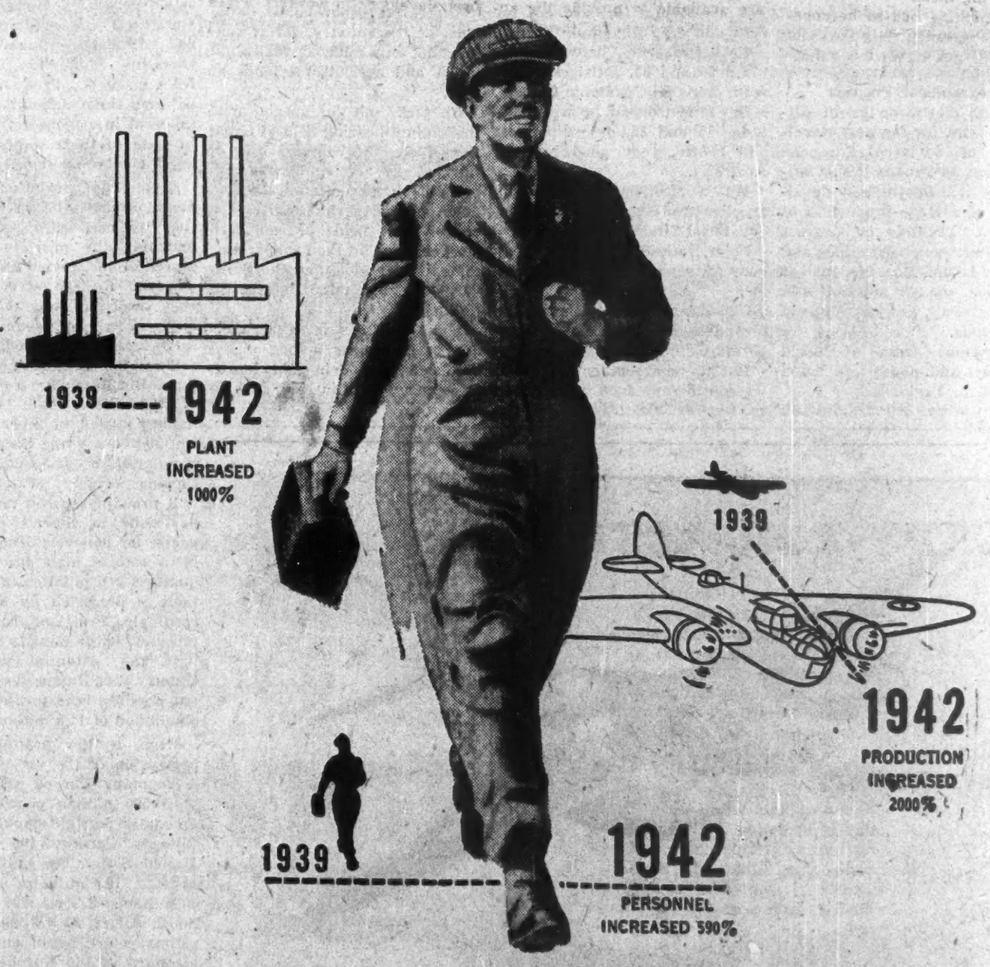

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The striking story of wartime ingenuity which brought this company into important production for the Canadian aircraft industry is told in the January issue of Canadian Aviation.

Less than a year ago it became evident that sharp curtailment of the regular market for this kind of product was going to make it necessary to seek new fields for veneer manufacturers.

Together with Morgan men the engineers designed a plywood seat that, after some false starts, was submitted to the National Research Council laboratories.

Ten and 20-pound canvas sacks of lead shot were heaped upon the seat until a total of over 1,800 pounds had been applied. The seat was bolted to a base and the weights applied from various awkward angles.

The test fully justified all claims made for the plywood seat. It had strength, plus.

Bits and Pieces

Orders for other "bits and pieces" jobs followed and today the Morgan plant is in quantity production on seats, bomb doors, chain guards, navigators' and wireless operators' desks, fairings map and code book cases and three types of parachute stowages.

Illustrating the speed of production on these plywood fittings is this: bomb doors come through one each 13 minutes. Cost, Canadian Aviation reports, is half or less cost for comparable jobs done in metal.

Woods used are chiefly birch, yellow poplar and basswood.

Thicknesses run from three to 11 plies in various jobs. Seats are ordinarily of five plies of 1/24 in. each.

Gluing is done in heavy presses and no heat is applied. Shaping and assembly is done on jigs designed for the specific purposes on a high precision basis.

Only finest veneers or plywood are used. When received at the plant lumber room pieces are exhaustively inspected for knots bad joints or any flaws that might cause a break later. Only perfect sheets are directed toward the production line.

Cleared from the kiln these are sent to the machine shop where they are cut to sizes required. From here they go to the gluing room, ready to be put in molds or formers of various shapes. These molds are made of wood also, laminated and lined with sheet metal so that the casein glue will not stick to them.

The making of formers or molds is a very important part of the work and calls for highly trained craftsmanship. A male or female mold has to touch on every inch of surface if three plies of veneer or more are being used, otherwise there will occur an open space in the joints, that will mean a weakness in the finished product.

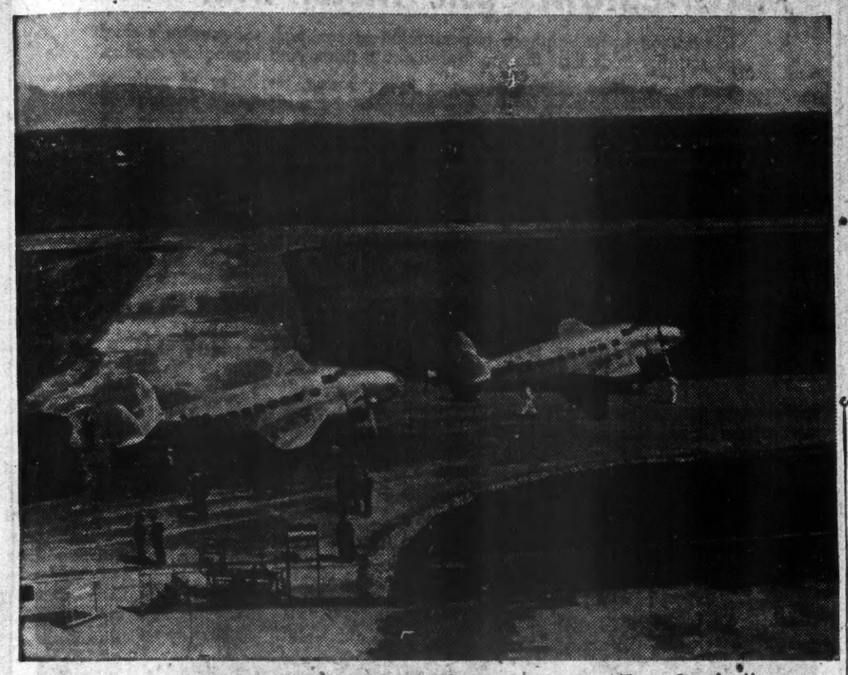
Now the glue is mixed in a mechanical glue spreader. The veneer is run through and glued both sides, put in the molds or formers and placed in presses where pressure is put on to approximately 200 pounds per square inch for six hours, then moved to a drying room for 72 hours. Formers are made with many openings so that air can get through for a quick and thorough drying job.

From drying the partially processed parts go to the machine shop again to be cut into the exact shapes and sizes required, then are sanded and are ready for the assembly shops where the jigs are set up.

When all ribs and stiffeners are in their proper places, the glue is put on and the plywood top or skin is nailed or screwed to the ribs. Girls do this part of the work.

Two hundred employees man the Henry Morgan & Co. plant. Manpower problems have thus far been minor.

In the nature of the case, little was required by way of additional equipment in effecting the switch over in product in this plant. Basically, raw material remains the same, wood.



Two Lockheed "14s" are here shown at the Vancouver Airport of Trans-Canada Air Lines. Before the war, Fairchild Aircraft received contracts for a number of the similar Lockheed "Electra" planes for the big transcontinental airway.

How RCA Boosts Morale

(Continued from page 8)

sets. The tough thing about it was that not only were things looking bad for the sets we were making but also for the sets other companies were making from parts we were manufacturing and supplying them.

"Something had to be done—quick! Several girls in the switch assembly got together and decided to offer to work Sunday. This was a challenge to the girls in the final assembly and they accepted immediately and offered to work Sunday, too. Well, the inspectors got wind of it before they had even been asked and promptly offered to join the victory caravan.

"Sunday found them all working—and Monday found the sets all going out—on schedule. Here was a grand job of production boosting by all concerned. A salute to the girls and boys of the 5th floor sub-assembly."

Through such methods employees are given the feeling that the company not only knows what each worker is doing but appreciates it. Through various types of production charts output is kept at an unflagging pace while healthy inter-departmental competition is fostered.

How do employees react? Facts are available to provide the answer. Response to the Merit Award Plan has been spectacular. Throughout the plant there has been a very evident desire to qualify for one of the pins and certificates. In the metal plant, one employee had been marked late, by error. He objected strenuously, not because of the 15 minute pay deduction, he said, but because he would be disqualified in the Production Merit Award Plan.

A further illustration of the reaction to the Merit Awards was given when the foremen complained that while recognition was given to the distinguished service of plant employees, no recognition was given to the foremen. A new award was set up by the committee and a merit pin, similar in design but different in color was secured. Plant foremen are now rated and may qualify for their own awards.

Reaction to the production drive has also extended beyond the plant into the workers' homes. Pride in the head of the family has been developed in workers' wives and children. One employee reported that during lunch at home Saturday noon he told his family he was going back to the plant to do some overtime work. He was apologetic about it until his eldest boy said, proudly "You're doing important work in the factory now, eh Dad. Not just making radios like before the war."

Employees have caught the spirit of the drive. That awareness is reflected in their production figures, in the reduction of absences and lateness, in the spirit with which they perform their daily tasks and in the eagerness with which they suggest improvements and speed-ups.

How Merit Judged

The spirit of the Greater War Production Committee program is exemplified in the points on the Merit Award Cards, on which each worker is judged. These points indicate the perfect worker. And it is significant that 115 employees won these merit awards during the first month.

The ten points read:

For Distinguished Service
On The Home Production Front
RCA Victor Merit Decorations

• • •

How Employees Are Rated

1. Be on the job every day and on Time. Requirement must be met 100%.
2. Keep in good health.
Operator disqualified if there is any lost time due to illness.
3. Avoid accidents—work safely.
An employee who incurs an accident involving a day or more of lost time is disqualified.
4. Stay on job and make every minute count.
(25 points maximum.)
5. Co-operate with everyone—up and down the line.
(20 points maximum.)
6. Study your job. Follow instructions . . . when in doubt—ASK.
(10 points maximum.)
7. Handle materials carefully and avoid waste.
(25 points maximum.)
8. Keep your place clean and orderly.
(10 points maximum.)
9. Suggest ideas to increase production and to get the maximum use out of present materials, tools or machinery. (3 points per $1.00 awarded by Suggestion Committee up to maximum of 10 points.)
10. As a war worker make this your motto:
"I'm going to do better and better work every day."

British Driving Cut to Bone With New Gas Rations

Gasoline curtailment has shrunk the three million private-car licenses of pre-war Britain to 250,000. Motoring for pleasure has been unknown for some time, because gasoline is allowed only to the private cars engaged in essential work. Drivers who need their cars for war jobs, transporting invalids or getting from rural homes to the nearest village for food, are the only motorists able to obtain any gasoline.

Now the British Ministry of Mines and Fuel has made a further cut. Even the motorists entitled to emergency gas coupons are to have their allowance cut by 10% or more. They can no longer use their own cars every working day, but must arrange to double up with other motorists. Those who have official approval to transport other workers regularly will be allowed larger mileage than those travelling alone.

It is hinted that the Government hopes more and more workers will contribute to solving the transport problem by sleeping in their places of business. Drivers not employed on essential war work, but who have proved an urgent domestic need, will have their rations cut by 25%.

These new restrictions took effect with the issue of coupons for December, January and February. In applying for allowances, motorists must report any alternate means of transportation and its frequency. If such transportation cannot be used, they must give the reason.

Since July 1, 1942, the police throughout Britain have been working with the Petroleum Board inspectors to check up on the movements of all private cars, examining vehicles outside of hotels, churches, cinemas and bars, to ascertain whether the driver is there on business.

Pre-cooked Cereals Supplied Troops

Pre-cooked and pre-mixed breakfast cereals are now available to troops of the United Nations overseas, according to the U. S. war department. Under a special process, serving of these dishes, chiefly whole wheat and oatmeal, merely by adding water is possible. The cereals are cooked until they contain no more than 12% moisture. They are then packed in containers and sent to far-flung outposts, where by adding the water they are made as edible as the freshly-cooked dish.

HERBERT TAREYTON SMOKING MIXTURE

A superb mixture of the world's finest tobaccos . . . it's the best you can buy for your pipe.

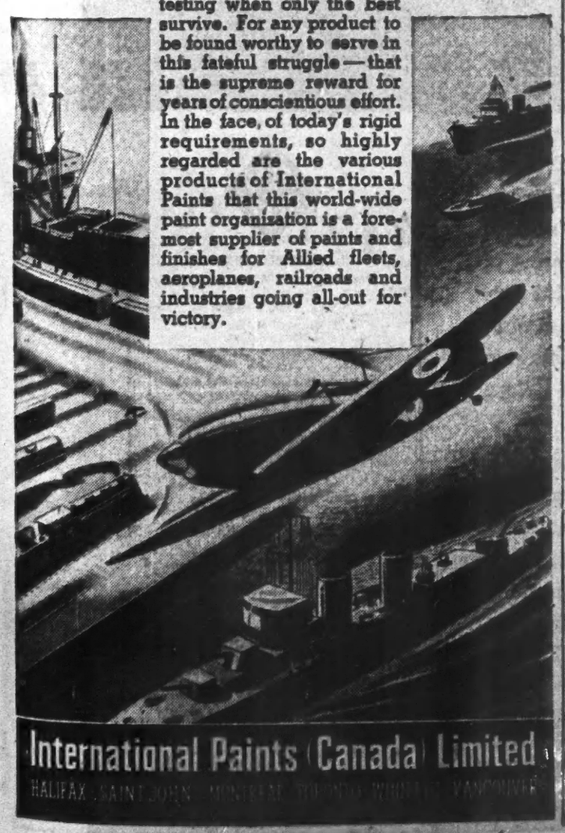
PACKAGES, POUCHES AND 1/4 LB. TINS

T-442

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

READY FOR ACTION!

These are days of ruthless testing when only the best survive. For any product to be found worthy to serve in this fateful struggle—that is the supreme reward for years of conscientious effort. In the face of today's rigid requirements, so highly regarded are the various products of International Paints that this world-wide paint organization is a foremost supplier of paints and finishes for Allied fleets, aeroplanes, railroads and industries going all-out for victory.



International Paints (Canada) Limited

HALIFAX SAINT JOHN MONTREAL TORONTO WINNIPEG VANCOUVER

WORKING FOR VICTORY AT VICKERS"

WATCHDOGS OF THE High Seas

Giant "CANSO" Amphibian Patrol Boats now being built by Canadian Vickers

"BISMARCK LOCATED.....Position.....!"

So flashed the awaited signal from a PBY Catalina Flying Boat to the eager ships of the British Navy on May 25, 1941.

This famous action was a highlight of the constant vigilance PBY's maintain over the shipping lanes of the seven seas, guarding precious convoys . . . precious lives.

More and ever more of these gigantic patrol bombers are needed. And to meet this demand Canadian VICKERS Limited are building "CANSOS" (Canadian PBY's), the largest aircraft produced in Canada.

All the experience . . . all the vast resources of Canadian VICKERS Limited are now concentrated on war production for the Air Force, the Navy, the Merchant Marine and Canada's Defence Industries.

Thus we're building for victory at Vickers'.

CANADIAN VICKERS LIMITED

HEAD OFFICE - MONTREAL

WINNIPEG EDMONTON VANCOUVER

NEW GLASGOW DRUMHELLER

IF IT FLIES OR FLOATS VICKERS CAN BUILD IT

The Home Front

100,000 Prisoners' Parcels Weekly

Red Cross Steps Up Stream of Relief to Fighters Held by Axis

The Canadian Red Cross, now packing 80,000 parcels a week for prisoners of war, will soon increase this to 100,000. The parcels are taken from Atlantic ports to Lisbon by neutral ships, usually Swedish, and from Lisbon to Marseilles by vessels of the International Red Cross. From Marseilles they reach Geneva by rail, are distributed from there by International Red Cross officers, who are neutral Swiss. These officers see the parcels reach the prisoners, also report on conditions in prison camps.

For the benefit of prisoners and active service men, the Red Cross has mobilized thousands of patriotic fingers across Canada. Here volunteer workers are measuring, sorting and labelling woollen socks. Prisoners get one box containing warm clothing from the Red Cross, after which the organization concentrates on food parcels.

Released from prison camp in Algeria a few weeks ago, seven Canadian fighting men—six fliers and a sailor—said that only the parcels they had received from the Red Cross kept them from starving.

In Canada hundreds of women felt a glow of pride as they read of this, realized more fully the meaning of the wearying days they spend as unpaid workers packing cardboard cartons which move in endless procession along the conveyor belts of Red Cross prisoners-of-war parcel depots.

At the end of the year there were four of these plants, at Montreal, Toronto, Windsor and Hamilton. Each had a weekly capacity of 20,000 parcels. Now a fifth is being opened at Winnipeg, to bring total capacity to 100,000 parcels a week, or 5,200,000 a year.

A parcel weighs 11 pounds—the limit allowed under an agreement among the belligerent nations—and contains enough food to feed one man for seven days. The assortment includes milk powder, butter and cheese, corned beef, pork luncheon meat, salmon, sardines or kippers, raisins, dried prunes, sugar, jam or marmalade, pilot biscuits, chocolate, salt and pepper, tea, soap. This selection was recommended by a committee of experts, headed by Dr. F. F. Tisdall, noted nutritionist, as one which would give a maximum of nourishment for a minimum of weight.

Prisoners' Parcels Contain These —

	Quantity Oz.
Milk powder	16
Butter	16
Cheese	4
Corned beef	12
Pork meat	10
Salmon	8
Sardines	4
Raisins	8
Prunes	8
Sugar	8
Jam	16
Biscuits	16
Chocolate	8
Salt, pepper	1
Tea	4
Soap	2

Two Million Parcels

More than two million such parcels have been shipped from Canada since early 1940 and the volume is steadily growing. They cost about $2.50 each and go into a pool for British, Australian, New Zealand—and now American—prisoners. The Canadian Red Cross gives 30,000 a week, is reimbursed by Britain and the "Down Under" Dominions for the balance. We pack for the Red Cross of Australia and New Zealand because we are so much closer to Europe, where most of the prisoners are held.

The British Red Cross has its own parcel depots, which pack 80,000 to 100,000 cartons weekly. Our depots supplement that supply, and it's logical that they should, because much of what goes into the packages is produced in Canada anyway.

While we are shipping to prisoners in Germany and Italy, and more recently to prisoners in Japan, Germany and Italy are shipping parcels to their nationals now in prison camps in Canada. The exchange is made through the International Red Cross, which has its headquarters in Geneva, through officers who are neutral Swiss.

A Swiss stationed at Montreal regularly inspects prison camps where we are holding enemy soldiers, sailors and airmen; Swiss stationed in Germany and Italy do a similar job for the United Nations. There is also a Swiss Red Cross man in Japan.

Report on Conditions

These officials look after the distribution of parcels to prisoners—are entrusted with the task of seeing that they reach those for whom they are intended. They also report on conditions within camps where prisoners are held to the governments of the countries of which the prisoners are nationals. Reports on Canadian prisoners are received regularly by the Department of External Affairs at Ottawa.

Red Cross parcels packed in Canada are carried free by the railways to Atlantic ports. Those destined for Europe go from there by neutral ships, usually Swedish, to Lisbon, Portugal. There they are transferred to ships of the International Red Cross, plying from Lisbon to Marseilles. From Marseilles they go by rail to Geneva, and from Geneva they are shipped to camps in Germany and Italy.

A shipment which recently reached prisoners in the Far East went from New York by the Swedish liner Gripsholm, the "diplomatic ship" which had been running between New York and Portuguese East Africa. At African ports the parcels were transferred to Japanese and Italian ships running to Japan. Because they were being used in an exchange of diplomats these vessels were given immunity.

Negotiations are under way to continue shipments to the Far East and it's expected some way will be found to get them through safely, although this is far from simple.

Parcel a Week

What the Red Cross tries to do is get one parcel a week to each man.

Under the Geneva convention of 1929, which covers prisoners of war and is the basis of the Red Cross work internationally, prisoners of war are supposed to receive the same rations as the guards at the camp where they are quartered. Canada adheres to this rigidly, which means that Germans and Italians held in this country are probably a good deal better fed than their countrymen at home.

Even if Germany and Italy acted with equal integrity, Canadian prisoners in Europe would still find themselves on short rations were it not for the Red Cross assistance.

Officials at Canadian Red Cross headquarters in Toronto believe that with few exceptions all parcels shipped to prisoners have arrived safely. Each parcel contains an acknowledgment card, and more than 500,000 of these cards have found their way back to Canada. In quite a proportion of cases a single card has acknowledged several parcels and been signed by a "man of confidence." (The custom, in military prison camps, is for prisoners to appoint one of their number a "man of confidence," to speak for all of them.)

How They Are Packed

The women who pack the parcels in the prisoners-of-war parcel depots in Canada are all volunteers, and usually each of them gives one or two days a week, different groups taking over on different days. Every plant has two or three male employees, veterans of the last war, to lift some of the heavier loads.

The items which go into each carton are assembled on the packing floor, then the boxes start rolling along the assembly line. Each woman puts in one item as a carton passes her. At the end of the line the cartons are sealed with adhesive paper and put in plywood cases, 16 to a case, ready for shipment.

Canada's contribution of 30,000 prisoners' parcels weekly represents an annual outlay of around $3.9 millions, and some 17 million pounds of food.

In charge of the prisoners' parcel effort of the Canadian Red Cross is Norman C. Urquhart, prominent Toronto businessman, former president of the Toronto Stock Exchange. On the buying end, he's assisted by a committee of buyers of some of the biggest companies in Canada. They watch the markets closely, buy carefully.

Besides the regular weekly parcels, the Red Cross sends prisoners bulk quantities of vitamin capsules, cigarettes, tobacco. It also sends "capture parcels."

These "capture parcels" are addressed to individual men, are sent as soon as word is received that a man is a prisoner. After Dieppe 1,787 of them were shipped to Canadians who were captured, by the London office of the Canadian Red Cross. Each contains things a man is likely to need—a razor, soap, toothpaste, toothbrush, warm underwear and so forth. A man gets only one such parcel, because they contain the things that will subsequently be sent him in parcels forwarded through the International Red Cross by his "next of kin." His next of kin" parcel each three months. Such parcels reach Geneva by the same route as the weekly prisoners-of-war nearest relative is permitted to send him are mailed throught post offices, parcels.

B. C. Base Metals Get Men But Golds Are Still Short

From Our Own Correspondent

VANCOUVER.—Three of British Columbia's major gold mines—Bralorne, Sheep Creek and Privateer—reported reduced operations this week due to manpower shortages, but there was more cheerful news from the copper camps.

Britannia Mining & Smelting Co., Howe Sound Co.'s subsidiary, was short so many men late last summer that the management feared the threat of a shutdown, but since then some 200 additional men have been signed on and production has risen from a low of 2,200 tons of ore handled daily, last August, to 3,000 tons a day milled this week. This is still a long way from the company's capacity, but it represents a long step toward improvement.

Granby Consolidated, the other big copper producer, reports crews practically at full strength.

Britannia's present anxiety is based on conjecture as to whether the labor forces can be maintained. Most of the new men engaged were from the prairies, and they will have to return there some time this spring.

Bralorne Mines was curtailed 25% during the fourth quarter of 1942, according to a statement just issued, but there was an encouraging note to the effect that broken ore reserves have been maintained. Total production last year was valued at $3.4 millions, compared with $3.8 millions in 1941, but the company has been encouraged by its mercury and tungsten properties. Summit King, the Nevada subsidiary, has been closed down due to labor shortage, but the company hopes to find a base metal or strategic mineral operation to develop.

Sheep Creek directors reported that owing to increasing difficulties it may be found necessary to reduce the dividend rate.

December production at Privateer, the only mine still operating in the Zeballos district, was the lowest in the company's history and the quarterly dividend payable in February will be two cents a share, or one cent less than the 1942 rate.

Privateer has been authorized to maintain its crews at 60% normal.

Mining men were assured by Hon. Ernest Carson, provincial minister of mines, at the annual meeting of the B.C. Chamber of Mines a few days ago, that prospectors would be protected in respect to their gold claims.

"Specialists in the Casting and Fabrication of Modern Alloys"

A Fire Bomb is released by the bomb aimer in the nose of the aircraft.

MAGNESIUM—The Metal with "Flair"

In addition to its lightness plus strength in castings, magnesium's dual personality finds it as the fire ingredient in flares and incendiary bombs.

The same plane whose increased flying range, flexibility of performance and added load factor are enhanced by magnesium castings, is the one which carries the incendiary bombs that wreak havoc on the enemy.

Today magnesium's war job comes first. When peace comes, this versatile metal will be in the vanguard of the world of tomorrow.

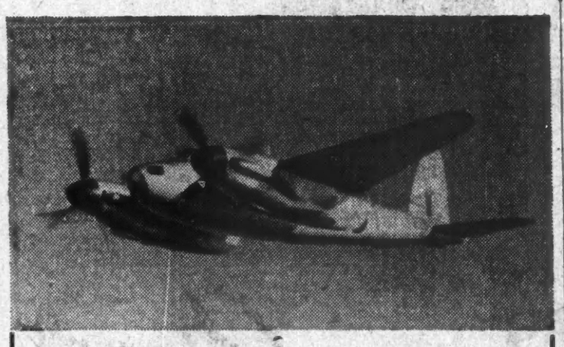
Our facilities, experience and technical knowledge enable us to play an important part in meeting industry's requirements for magnesium "ELEKTRON" castings.

THE ROBERT MITCHELL COMPANY LIMITED

Foundries: ST. LAURENT, P. Q. 1851—1943 Factories: MONTREAL, P. Q.

—Acme Photo.

One of the Low-Flying Bombers during a Daylight Attack on a Power Station near Cologne, heads homeward after dropping its load of incendiary and high explosive bombs.



THE MOSQUITO

TO UNTOLD HEIGHTS

AN EVER increasing ceiling for modern warplanes has made great demands on manufacturers to produce materials capable of withstanding the extreme temperatures encountered at such tremendous heights.

We are proud of our part in supplying self-sealing materials for fuel and oil tanks, also flexible and rigid hose. We have also supplied window and dinghy stowage mountings, gaskets, door-seals and sealing strips, etc., etc., for most of the modern aircraft being produced in Canada.

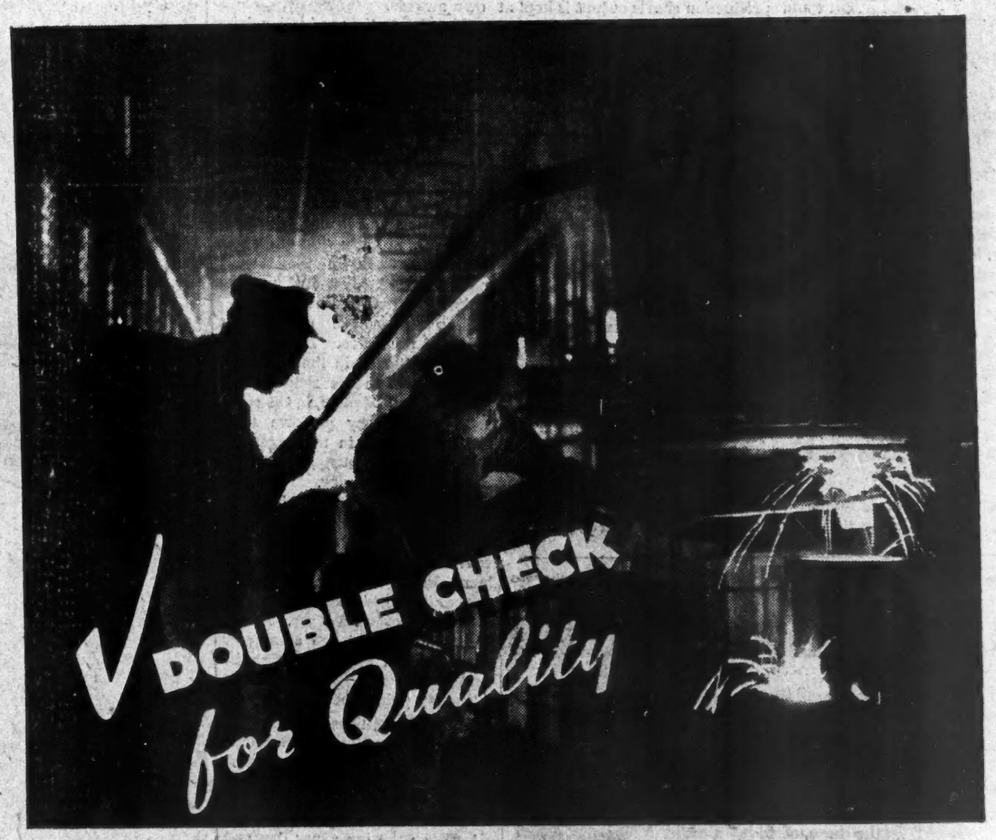
Self-Sealing

LINATEX

WILKINSON LINATEX Co. Limited

417 St. Peter St. Montreal

Also in Great Britain, U.S.A., New Zealand, Australia, South Africa, etc.



FROM the time the electric furnaces are charged until the finished product is ready for shipping, the processes of making fine tool and special steels at Atlas are under rigid control. Testing at every stage is an inherent part of the Atlas production schedule. Outstanding, able metallurgists, physicists and chemists leave nothing to chance. The result is steel quality never before possible in Canada.

Equally important is what you do with Atlas steels. To assist you in every possible way, Atlas maintains a metallurgical engineering service that is always at your disposal. No matter where you may be, these trouble shooters are at your service without cost or obligation, to help you solve any steel problem. Contact your nearest Atlas Branch or Distributor.

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Wm. Stairs, Son & Morrow Ltd., *Halifax, N.S.*
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100% MADE IN CANADA

ATLAS STEELS LIMITED
WELLAND, ONTARIO

The Planes We Build

Canada's Fighting Aircraft

Our Aviation Industry Turns Out the Biggest and the Best, the Fastest and the Deadliest, of Allied Combat Planes

The lean silver aircraft travelled with bullet-speed, its wingtips scrawling two streaks of vapor across the sky. One second it was right overhead; next second it was a speck on the horizon; then it was back doing aerobatics.

It dived like a rock plummeting to earth, levelled off, climbed rocket-fashion at an amazing rate. It looped and turned in a chunk of atmosphere that looked, from the ground, no bigger than a pieplate.

A corner newshawker summed up the thoughts of tens of thousands of Toronto people who were watching the exhibition.

"Boy," he exclaimed, "is that some plane! Boy, am I glad I'm not a German."

The aircraft which put on the show was a Mosquito—one of the first made in Canada.

It is still on the "secret list," and its speed has never been announced, but there is pretty good evidence that it is the fastest plane—and certainly the fastest bomber—in the world.

Germany's famous FW190 can attain a speed of 390 miles an hour for one minute at a time when the pilot uses an emergency speed boost. Actual combat has shown that the Mosquito can race away from an FW190 with no trouble at all.

As far as range goes, Mosquitos have bombed objects 1,000 miles from their base. Then there is the recent statement by Hon. C. D. Howe, Minister of Munitions and Supply, that shipping space will not be needed for combat planes manufactured in Canada because—

"Each of the four combat and service types can fly the Atlantic. They can be delivered to any theatre of war under their own power."

Ralph P. Bell, director general of the aircraft production branch of the Department of Munitions and Supply, calls the Mosquito the "most manoeuvrable" of all bombers. Neither he, nor anybody else, has revealed what weight of bombs it carries, and there has been no hint of its armament except that it "may" carry four .303 machine guns and four 20 mm. cannon.

It has two Rolls-Royce engines which drive three-bladed de Havilland hydromatic airscrews, and is understood to be mainly of plywood construction. This plywood is said to be as strong as metal and easier to repair.

The claims of great strength in the structure of the Mosquito found substantiation on a recent test flight, when the hydraulic undercarriage system failed and the pilot had to make a "belly landing." The ship withstood the jolt, came out of the landing without serious damage.

It didn't, of course, take a minor crack-up to show how strong the structure of the Mosquito is, because the air manoeuvres of which it is capable would tear the wings off a weaker plane.

Mosquitos are made to hit and run, to sting and get away, and also for high speed reconnaissance work. They are stinging the Axis more frequently, and harder, of late. As time goes on, as more Mosquitos swarm over enemy territory, Canadians can draw satisfaction from the fact that many of the fleet, slender attackers will have been made in Canada by de Havilland Aircraft of Canada, Ltd.

The Lancaster

No part of Germany is safe from the Avro Lancaster four-motor heavy bomber, aerial giant with a wing span of 102 feet, a body length of more than 69 feet, a height of 20 feet.

Such is the size of these monsters that when you see one of them on an airport the men who are working around it look dwarfed.

According to Peter Masefield, British authority on aviation, it has four features which make it the world's most formidable bomber.

First of these is its speed, not far short of 300 miles an hour, which means a long chase for Axis fighter pilots trying to catch it—means that the fighter may easily run out of fuel before he can intercept. The Lancaster's high speed has made it particularly suitable for long daylight raids.

Then there is its bomb-carrying capacity—now 18,000 pounds or nine short tons. That is two 8,000 pound double block busters—the kind that knocked whole buildings in Berlin sky high—plus a couple of thousand pounds of smaller bombs for good measure.

This enormous load can be carried more than 1,000 miles. With a lesser load, the range is multiplied so that no city in Germany is out of striking distance.

Third feature, says Mr. Masefield, is the terrific fire power the Lancaster has for defensive purposes. It has ten .303 Browning machine guns, four power turrets. Four of the guns are in the tail turret, to knock down pursuing fighters; two are in the upper turret; two are in the belly turret, and there are two guns in the nose.

The four guns in the tail turret, fed by ammunition which runs along troughs from the centre of the aircraft, can spit 110 pounds of metal a minute — a blast of fire sufficient to cut in half anything that got in its way.

The Lancaster, a mid-wing all metal monoplane powered by four Rolls-Royce Merlin engines, has no blind spots except the fins and the rudders, but these are too small to shield attacking craft.

Vital parts of the plane are covered by half a ton of special armored plate.

Fourth feature which makes the Lancaster so formidable to the enemy is the fact that, because of carefully planned design, it is the easiest of all heavy bombers to produce.

People of a number of Canadian cities saw a Lancaster early last autumn. British-built, it was flown across the Atlantic by Captain Clyde Pangborn, famous round-the-world flier.

"It handles beautifully—like a much lighter aircraft," Pangborn said. "It is very manoeuvrable, and takes off and lands easily."

But he didn't fly the Lancaster across to see how it handled; he flew it across so Canadians could see what they were about to start making in their own country. There was a big ovation when the sky monster put down on the airport beside the plant of Victory Aircraft Ltd.—and no wonder — for the employees were about to start on a programme of Lancaster construction. This is now well advanced, and soon the world's deadliest bombers will be pouring across the Atlantic from Canada in a steady stream.

Catalina PBY-5

Another aerial giant built in Canada is the Catalina PBY-5, a twin-engined amphibian which has no peer as an ocean patrol craft, and which was designed by a Canadian, I. M. Laddon, a graduate of McGill University.

Costing close to $250,000, the Catalina is composed of more than 100,000 parts, weighs 14 tons, and has a hull as long as a Pullman coach. So great is its wingspan that ten automobiles could be lined up end to end along the length of each. Its wing floats, alone, are as big as canoes.

The Catalina has the greatest range of any two-engined bomber in the world. Its maximum speed, at an altitude of 8,000 feet, is about 200 miles an hour, while its cruising speed at the same altitude is about 175 miles an hour.

It has a ceiling almost five miles high and its maximum cruising range would permit it to fly from Halifax to Vancouver and back to Winnipeg without refuelling.

The Catalina has two Twin Wasp 1,200 horsepower engines and constant speed propellers. It has gun pits in the nose and in the rear fuselage, and is equipped for bomb or aerial torpedo installation.

Catalinas are the long-range sea scouts—the eyes of the navy—which summon fighting planes and warships when the enemy is sighted. It was from one of these flying boats that the Bismarck was first observed.

Hull and wings are made of duraluminum, the tensile strength of which is increased by a chemical bath.

Catalinas are being produced at the big plant of Boeing Aircraft of Canada, and also by Canadian Vickers at another large plant.

Curtiss Helldiver

Very much on the secret list still is a fourth Canadian-made fighting plane, SB2C1, the Curtiss Helldiver. Only public facts are that it has internal bomb storage, is a two-seater monoplane of low-winged type, and has a maximum of 10,982 pounds.

According to U. S. officials, it is the fastest divebomber ever designed, will carry a bigger internal bomb load than Germany's deadly Stuka. In Canada the Helldiver is made by Fairchild Aircraft Ltd. and Canadian Car & Foundry Co.

From Mr. Howe's statement, that all four Canadian-made combat planes can cross the Atlantic under their own power, it must have a great cruising radius.

The Hurricane

One aircraft Mr. Howe did not include in his list of combat planes, because the programme is coming to a close, was the Hurricane. Nevertheless we are still completing a big order for Hurricanes, have shipped aircraft of this type not only to Britain but, according to reports, to Russia. They are made by Canadian Car & Foundry Co.

Not quite so fast as the Spitfire, but still one of the fastest and most manoeuvrable of aircraft, the Hurricane which we have been making recently is regarded as an improvement on an earlier model which could do 335 miles an hour.

The Hurricane has devastating firepower. Some are armed with 12 Browning .303 machine guns which fire 13,200 rounds of ammunition per minute — a weight of 330 pounds of metal.

It has been used not only as a straight land plane, but on aircraft carriers.

Details of weights or performances of latest models are secret, but they can carry 500 pounds of bombs or a disposable auxiliary fuel tank to add to range.

The Bolingbroke

Not strictly classed as a combat plane, the Bolingbroke, produced in Canada by Fairchild Aircraft, is a twin-engined medium bomber adapted for advanced training.

Many of them are used in the British Commonwealth Air Training Plan to train pilots who will be handling two-engined aircraft. The Bolingbroke, the Canadian version of the Bristol Blenheim, has additional tanks in the wings which bring the range up close to the 2,000-mile mark, and is capable of a maximum speed of 295 miles an hour.

Those which carry armament have one machine gun firing forward, two in a power turret, and one which fires backward from a blister under the nose.

Fairchild Cornell

Considered the most modern type of primary trainer, the Fairchild Cornell is built by Fleet Aircraft Ltd., and is a low-winged monoplane with a maximum speed of 135 miles an hour.

A two-seater, it has taken the place of the old de Havilland Moth and similar light aircraft, with low landing speeds and a high safety factor, which were formerly used to give student pilots their initial instruction.

Harvard

From the Fairchild Cornell the student graduates to a Harvard if he is destined to be assigned to single-engined planes. Made by Noorduyn Aviation, Ltd., the North American Harvard is recognized as the greatest single-engined advanced trainer.

A two-seater low-winged monoplane, with radial aircooled engine, it has a maximum speed in excess of 200 miles an hour and responds to the controls much in the manner of a Hurricane or Spitfire. Flying the Harvard fits the fledgling pilot to fly fighter aircraft, is said to give him the right "feel," to be ideal for practising difficult manoeuvres.

Anson

Students who have had their primary training, and who are slated to become pilots of twin-engined planes, will probably take the next stage of their instruction in an Avro Anson, made by Federal Aircraft Ltd., government-owned company carrying on the Anson programme with MacDonald Bros. Aircraft Ltd. and Canadian Car & Foundry, as contractors.

With a maximum speed of 170 miles an hour, this bomber-type plane carries a crew of three or four, and has a fairly long range.

According to Mr. Bell, models now being placed in production will be the most outstanding twin-engined trainers yet developed. British designed by A. V. Roe, designer of the Lancaster, the Anson has been greatly altered, is now largely a plywood plane like the Mosquito.

Noorduyn Norseman

Finally on the list of combat and trainer planes made in Canada there is the Noorduyn Norseman, made by Noorduyn Aviation.

A high-winged monoplane with 550 horsepower aircooled radial engine, the Norseman is used for training air crew in radio operation, and is called by Munitions Minister Howe the "most efficient" of all single-engined transport planes.

Although not a large aircraft, used as a freighter it can carry a payload of 1,687 pounds, has a working range of 600 miles.

Such are the aircraft on which Canada is now concentrating—the Mosquito, the Catalina, the Lancaster, the Helldiver, the Hurricane, the Norseman, the Anson, the Bolingbroke, the Cornell, the Harvard.

Each, in its own way, is outstanding; each is contributing to the defeat of the enemy.

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BECAUSE we are in the fourth year of this war, some of the brilliant patchwork of peacetime colours may be missing from our lives, but war, for all its drabness, only tones down some of the colours used. Naturally enough, the service colours dominate the scene—Navy Blue, Airforce Blue, Army Khaki.

The dye chemist's first duty is to ensure that these service colours will stand up under all kinds of exposure and rough treatment. Gone, now, is the dependence of Canada (before the last war) on dyestuffs of German origin. Today, these are fully replaced by dyes from Great Britain and the United States.

For many years C-I-L's Organic Chemicals Division has served industries in Canada with their colouring needs—dyestuffs, pigments, etc.—for textiles, leather, paper, pottery, plastics and other materials. C-I-L's service involves constant search to provide dyes that keep pace with changing processes of manufacture and the development of new materials and admixtures of old. In addition to furnishing the serviceable dyestuffs required for hard-wearing uniforms, C-I-L has assured a plentiful supply of colour-fast dependable dyestuffs to meet every civilian need.

An assured supply of dependable dyestuffs is another example of how industrial chemistry aids Canada's war effort.

CANADIAN INDUSTRIES LIMITED

Health of the Nation

How High is Canada's Health Standard?

Reports on the Dominion's Well-being Produce Evidence of a Dangerous Loophole in the Nation's Armor

At no other time is so high a premium placed on national fitness as when the dogs of war are unchained. It is a curious anomaly that in the midst of battle's death and disease more attention is paid to better living. Basis for that curiosity is summed up by the bitter maxim that only the strong can be productive, and only the productive can be free.

When Churchill saw the possibility of the New World having to set forth to the rescue and liberation of the old, a thrill of grim pride ran through Canada. The Dominion flexed its muscles; it was good to feel young, strong, vigorous.

What are the facts? Was that luxurious muscle-stretching justified?

We Are Ill

The facts are that while this country produces virtually everything necessary for full and vibrant health too many Canadians are ill, too many babies are dying, too many mothers do not return from the valley of the shadow.

We are making progress toward being a healthier nation—slow, arduous progress.

In the four years of World War 1 some 60,000 Canadian men were killed or died of their wounds. In the four years 1938-41 a total of 57,436 Canadian babies under one year of age died. In the same period 3,806 Canadian mothers died giving birth. Thus our casualties were as high as in the war, but nobody got very excited about it.

First real shock to a health-complacent Dominion came Nov. 11, 1941, when Hon. J. T. Thorson reported on results of the compulsory military call-up effective at that time only for the 20-24 age group. Of that supposedly most healthy group of the country 209,000 had been called, 44% had been rejected by examining doctors.

Here were the main reasons for rejection.

Disability:	Percentage afflicted
Glasses needed	14.21
Foot trouble	8.56
Stomach, intestinal	8.49
Bronchitis, asthma	7.71
Rheumatism	7.70
Eye disease	7.01
Nasal trouble	6.59
Ear trouble	6.41
Dentures	4.94
Rupture	4.01
Kidney, bladder	3.43
Heart disease	3.19
Mental, nervous	2.06
Gonorrhea	1.68
Varicose veins	1.28
Tuberculosis	1.25
Fits	0.89
Syphilis	0.19

The total is more than 44% due to the fact that some rejects had more than one complaint, thus enter the list more than once.

Just as men are lost to the armed forces, poor health is robbing us of workers. The Health League of Canada has estimated that about 2% of the entire population is constantly ill and unable to work, that illness annually costs Canada $300 millions, and that about half our illness is preventable.

International Rating

How does Canada rate internationally? This Dominion prides itself on the high place it holds in the lists of the world's trading nations. The record for keeping mothers and children alive is not so impressive.

Maternal Mortality

	Maternal deaths in 1934 per 10,000 live births
Uruguay	23
France	25
Italy	27
Japan	28
Norway	29
Netherlands	32
Sweden	33
Hungary	38
England & Wales	46
Switzerland	46
Irish Free State	47
Czecho-Slovakia	48
Germany	49
New Zealand	49
Greece	50
Salvador	53
Belgium	54
Australia	58
U. S. A.	59
Newfoundland	59

Infant Mortality

	Deaths in 1934 of infants under 1 yr. of age per 1,000 live births
New Zealand	32
Norway	39
Netherlands	43
Australia	44
Switzerland	46
Sweden	47
Iceland	52
England & Wales	59
United States	60
S. Africa (whites)	61
British Isles	62
Irish Free State	63
Denmark	64
Germany	66
France	69
Northern Ireland	70
Canada	72

Improving Trend

There is moderate room for encouragement, however, in the improving trend of both maternal and infant mortality. In 1941 the average rate of maternal mortality was 3.5 per 1,000 live births. Quebec had the highest rate at 4.3, B. C. the lowest at 2.7.

Maternal Mortality

	Deaths	Rate per 1,000 live births
1932	1,181	5.0
1933	1,311	5.0
1934	1,167	5.3
1935	1,065	4.9
1936	1,233	5.6
1937	1,071	4.9
1938	968	4.3
1939	967	4.2
1940	978	4.0
1941	893	3.5

In 1941 the infant mortality rate showed an increase to 60 per 1,000 live births but the general trend of the past few years has been lower. P. E. I. had the highest 1941 rate at 80, B. C. the lowest at 37.

Infant Mortality

	Deaths	Rate per 1,000 live births
1932	17,263	73
1933	16,284	73
1934	15,870	72
1935	15,730	71
1936	14,574	66
1937	16,093	74
1938	14,517	63
1939	13,939	61
1940	13,763	56
1941	15,197	60

Heart Diseases

Diseases of the heart are showing a steady increase, claiming 26,558 lives in 1941 as compared with 20,278 in 1940. Of this increase 4,465 came from a revision in classification changing this latter total from deaths formerly associated with arteriosclerosis.

Heart Disease

	Deaths	Deaths per 100,000 population
1932	15,328	146.1
1933	15,485	145.2
1934	16,352	151.3
1935	16,069	147.1
1936	16,424	148.1
1937	16,840	151.6
1938	17,375	155.2
1939	18,562	164.3
1940	20,278	178.3
1941	26,558	232.9

Cancer Second

Cancer deaths come second to those caused by heart disease. Each year there is an increase in the number of deaths reported from cancer, although there are some hopes that the peak in the rate at least may be in sight, there being a rise of only 0.2 in 1941 over 1940, as against rises of 5.0 and 6.0 a few years ago.

Cancer

	Deaths	Deaths per 100,000 population
1932	10,024	95.5
1933	10,353	96.9
1934	10,581	97.9
1935	11,156	102.2
1936	11,694	106.2
1937	11,963	107.7
1938	12,038	107.5
1939	12,389	109.7
1940	13,322	117.2
1941	13,309	117.4

Artery trouble is another big killer. The drop in 1941 was largely due to the previously mentioned change in classification.

Arterial Disease

	Deaths	Deaths per 100,000 population
1932	6,798	64.8
1933	6,950	65.2
1934	7,379	68.3
1935	8,302	76.0
1936	9,112	82.7
1937	9,609	86.5
1938	9,970	89.1
1939	10,884	96.3
1940	11,742	103.3
1941	6,729	59.0

A moderate decrease has taken place in deaths resulting from tuberculosis:

Tuberculosis

	Deaths	Deaths per 100,000 population
1932	7,166	68.3
1933	6,939	65.1
1934	6,431	59.5
1935	6,597	60.4
1936	6,763	61.4
1937	6,669	60.0
1938	6,126	54.7
1939	5,977	52.9
1940	5,789	50.9
1941	6,051	53.1

Communicable diseases which do not cause very many deaths nevertheless do cause a very important loss of time. Chances for contracting such diseases have been increased by heavier movements of population for national defense reasons and abnormal concentration of population in some areas. The increase in such diseases during 1941 is shown by this table:

Disease	—1941— Cases	Deaths	—1940— Cases	Deaths
Measles	81,051	324	45,851	168
Rubella	56,777	8	4,621	1
Mumps	22,936	19	13,498	18
Scarlet fever	16,966	117	13,712	125
Whooping cough	16,647	437	*17,217	*604
Diphtheria	2,866	240	2,335	213

*Five year average 1936-40.

Part of the answer for much poor health lies in the fact that many people just can't afford medical care. Not only can they not afford such care but they must live crowded together in conditions which breed disease more readily, and chances are that they don't eat fully nutritive meals. Here is a record of two Toronto districts in 1940; one, Yorkville, an average to "well-to-do" district, the other, Moss Park, a poor district.

	Yorkville	Moss Park
Per 1,000 population—		
Birth rate	11.8	16.9
Death rate	10.9	16.3
Per 100,000 population—		
Tuberculosis	14.4	50.4
Communicable dis's.	1.4	8.5
Per 1,000 live births—		
Infant	25.7	54.6
Maternal	2.9	6.7

Nutrition has an important part to play. Medical authorities say that there is no question that malnutrition plays an important role in the incidence of tuberculosis which is seventh or eighth in the list of causes of death. Of infections such as pneumonia and influenza they say there is no doubt an indirect effect of malnutrition on general resistance to disease. Diseases of the heart which lead in causing death are not very clearly related to nutrition but several forms of cancer, which comes second, may be related to adequate food supply, it is said. The fourth cause of death is kidney disease which, in many cases is an infection associated with general decreased resistance and therefore associated with malnutrition. Thus, of the ten leading causes of death, five are influenced by inadequate nutrition.

The need for Canada's taking care of itself is heightened by the fact that a greater percentage of our population is growing older. The following table projects changes in upper age groups of our population. This problem varies from province to province—for instance the Maritimes have had a movement of young people to the United States or other parts of Canada for some time past. This projection is important not only from the bearing it has on national productivity and the increasing load on old age pensions but also from the standpoint that degenerative diseases are notably higher after 45 years of age.

Year	Number 65 Years and over per 1,000 of population
1871	36.4
1911	46.6
1931	55.5
1941	65.1
1951	80.3
1961	90.8
1971	94.2

Immigration and emigration are not taken into account in this table; but neither is the effect of war on our youthful population.

For Prevention

There are many who maintain that heavier expenditures on disease prevention would greatly lessen expenditures for cures, reduce illness and deaths. The following table shows expenditures by Canadian provinces on the main preventive aspects of public health and all government health expenditures for 1936-37.

	Preventive expenditures per capita —1936-37—	All health expenditures per capita
	$	$
British Columbia	0.60	3.28
Alberta	0.25	2.22
Saskatchewan	0.23	2.01
Manitoba	0.25	2.20
Ontario	0.19	1.63
Quebec	0.24	1.36
New Brunswick	0.27	0.76
Nova Scotia	0.16	0.85
P. E. I.	0.28	1.07
All provinces	0.24	1.68

Indication of what a well-organized campaign for prevention might do for only one province of Canada is indicated by the British Columbia submission to the Rowell-Sirois Commission:

"The money value of preventive work may be illustrated by referring the effects of deaths and disabilities from tuberculosis and the venereal diseases, both largely preventable, upon mothers' pension charges. In March, 1936, 16.1% of all mothers' pensions cases could be attributed to tuberculosis or the venereal diseases. The annual cost of allowances for these cases was about $93,000. From this it would appear that if the deaths and disabilities from tuberculosis and the venereal diseases were cut in half, over a period of five or ten years, it is quite possible that there would be an annual saving in mothers' pensions alone of about $50,000—as much as the whole cost of the provincial venereal diseases programme during the fiscal year 1936-37. In addition, there would be other savings probably much larger in total, incidental to reduction of care for patients in mental hospitals, general hospitals and other institutions, and to lessened demands for poor relief, care of dependent children, old age pensions, etc."

Doctors Mass

One complicating factor in the general health picture is the centralization of health personnel. For instance, in the Province of Quebec, 2,600 of the 3,000 doctors are established in the cities and towns, leaving only 400 to serve the rural areas. Over 40% of Quebec's population live in rural areas, so it follows that 13% of the doctors have to serve 40% of the people. More than 1,200 municipalities, parishes or rural communities have no doctor. Much the same situation exists in other provinces.

In Ontario, 41% of the people live in areas of less than 1,000 population; but only 25% of the doctors are situated in these areas. Many of the townships have no doctor.

Some feel that the way for taking a long step in preventive medicine lies in broadening the system of municipal health services now in effect in some western municipalities. The municipal doctor system of Saskatchewan and Manitoba makes available to the inhabitants of a rural municipality who want it free services of a doctor who is paid a fixed salary by the municipality. He devotes his full time to curative and preventive work without charging a fee.

A survey of the work of the municipal doctors in Manitoba was made from May, 1938, to April, 1940, through the International Health Division of the Rockefeller Foundation. Results were:

Maternal mortality rate was nil, as compared with the provincial rate of 4.3 per 1,000 live births.

Infant death rate was 40.2 per 1,000 live births against the provincial rate of 54.

"Disability" or sickness rate was only two fifths of the accepted rate for Canada.

Hospitalization rate was only one third the provincial rate.

To improve the nation's health is a great challenge facing Canada's leaders, a challenge that is receiving increased attention. Steps toward that objective are in the making with a national system of health insurance known to be under close scrutiny by Ottawa government officials.

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Wood Airfreighter Nearly Completed

The first American-made wooden cargo plane of this war is nearing completion at a plant somewhere in Missouri, according to current reports.

Under construction by the Curtiss-Wright Corp. the new freighter is officially named the C-76 or Caravan. It is of plywood construction designed for use as an air freighter, troop transport or paratroop carrier, and was started last March. The mammoth ship, it is stated, has a massive blunt nose and is a high wing monoplane using two 1,200 h.p. radial engines as a power plant. Wing span is 108 feet, length is not given, neither are other figures allowed for publication as yet.

ALL 3

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CANADIAN Airmen are rated with the best in the world . . . they learned to fly "yesterday" in elementary trainers, overhauled and serviced by CUB.

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I Shall

We said goodbye to our son last night,
Our boy of the yesterday
Who used to come toddling up to us
To kiss his hurts away.
I was shaken a bit when he stooped down low
And kissed his mother's tear,
But I gripped his hand and smiled at him
And he didn't guess my fear.
"You'll take good care of her, won't you Dad?
She's precious to me you know;
It's the mothers, sweethearts, and homes we love
That make us want to go."

I was proud of my soldier son last night,
And thousands of others too
Who have pledged themselves in the spring of life
To see the battle through;
And I swore by the flag that I honour
And by our God Divine
I shall produce for Victory
Each working hour of mine.
This emblem I'm wearing so proudly
Burns deeply—a symbol bright
Keeping the faith with those men of ours,
Leading them through the night!

If I should falter; if I should fail;
Who knows but the bitter cost
May mean a plane, or a ship at sea,
Or a hard fought battle lost!
The blood of a thousand men and one
May be spilt because of me.
I must give MORE than my "Nearly All"
That Mankind may be free!

TP4V

Re-affirmation

"Top Production for Victory" started as a slogan and has become a creed . . . a creed believed in and acted upon by over a thousand Canadian war workers at Thompson Products.

Last July, Thompsonites, in full realization that during all their working hours they were helping to produce for victory, solemnly pledged themselves to speed the flow of vitally needed war materials.

Since that time, production through individual initiative has zoomed to record heights . . . absences have sunk to incredibly low levels. This drive, epitomized by the TP4V symbol, is giving inspiration and guidance to other Canadian war industries.

Pledges written on the heart need no re-affirmation . . . and Harold Wood, Canadian poet, has penned these verses in tribute to the burning determination and ceaseless endeavour of men and women at Thompson.

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Thompson Products

Our Air Training Plan

Billion Dollar Air School

Creating Facilities for Vast Commonwealth Training Plan Was Great Achievement by Canada's Construction Industry; Involved Provision of More Than 100 Airdromes, 1,860 Buildings

Canada's vast machine for turning out "armies" of skilled air warriors is one of the major contributions to the victory toward which the United Nations are now driving.

Building that machine was one of the great achievements of Canada's construction industry—an achievement which in size, importance and speed supersedes the much-publicized building of the Alaska highway.

Farmlands and brush, hillsides and pastures have been plowed up, pulverized and pounded into shape to make over 100 airdromes. To house the thousands of men, planes and equipment, over 1,860 buildings have been erected.

Great majority of these airdromes are of up-to-the-minute design. That means hard-surfaced runways, tile or other scientific draining, concrete taxi strips and turning basins, well-equipped control towers, elaborate lighting for night flying.

$49 Millions a Year

Construction and repair of airports for the R.C.A.F. including the Air Training Plan, is estimated to involve expenditure of over $49 millions for the fiscal year ending this March. Divided into $26 millions for Home War and $23 millions for the Air Training Plan, the estimate does not include the heavy expenditures on construction of dromes for the R.A.F.

Nor does it include the $9 millions being spent on the chain of airdromes to the Yukon. Primarily for civilian purposes, the series of airports through northern B. C. and Alberta to the Yukon forms an important part of the joint U. S.-Canada defense programme. The chain will be in full operation with radio beam equipment and short wave communications by spring.

How It's Done

Procedure followed in acquiring airdrome sites makes an interesting story in itself.

The Department of National Defense for Air sends a requisition to the Department of Transport indicating the type of site required, approximate size and the Air Command in which it is to be located. The Dept. of Transport makes surveys and reports back with complete particulars of several sites, usually at least three. The report states the value of the land, grade of the site, nature of the soil and subsoil, nature of timber if the site is wooded, proposed water supply, proposed sewage disposal and drainage requirements, location of nearest crushed rock or gravel and sand supplies, electricity, telephone, telegraph, transportation facilities and other necessary information.

Choose 150 Sites

Officials of this department, assisted by engineers of provincial departments and C.N.R. staff, surveyed hundreds of sites in 1940 out of which 150 were chosen. In acquiring these sites land was bought from over 500 individual owners across Canada. All of these sites were cleared and graded. Twenty million cubic yards of earth was moved.

From the spring break-up in 1940 down to the fall of France this work proceeded with all recognized safeguards being taken, such as calling for tenders, etc., but when the emergency came in late May time-wasting routine was brushed aside, contracts were let by negotiation instead of by tender.

Contractors worked night and day, with the result that before the end of 1940 more than double the number of air fields originally planned were ready for use. Similar activity during 1941 brought the completion of the framework of the great air training scheme with the 93rd air school being opened at Mont Joli.

To the heavy requirements that the Air Training Plan has placed on Canadian contractors has been added the transfer of R.A.F. schools to Canada. Run by R.A.F. personnel and used primarily for training R.A.F. pupils, these schools take advantage of Canada's space and freedom from enemy attack. It is expected they will eventually number 30 or 40.

Make-up of a School

Cost of an airdrome varies with its size and the purpose for which it is intended. Some of the biggest may run up to $500,000.

A typical elementary flying training school needs a field with a minimum dimensions 2,500 feet clear in all directions, with landing strips 750 feet wide and 2,500 feet long. It needs a hangar 112 by 160 ft., quarters and messes for officers, N.C.O.'s and airmen, a hospital, garage, stores building and a machine gun range.

An air observers' school requires two large hangars, photographic building and equipment, a 15-bed hospital. Landing strips built here have minimum dimensions 3,000 feet long and 500 feet wide.

At each bombing and gunnery school the plan calls for erection of 47 buildings—6 hangars, 8 messes, 3 garages, a 34-bed hospital, supply depot, gun ranges and sundry other buildings. At these fields where all-over development is not economically practical, landing strips 3,000 feet long and 750 feet wide, with one hard surface runway 2,500 feet long and 150 feet wide is considered satisfactory.

Advanced training schools have a variety of buildings similar in extent to those at the bombing and gunnery institutions. Each of these fields must have three airdromes, one main landing field two relief fields. The main field has a landing strip 3,000 feet long 750 feet wide with two hard-surfaced runways for each landing strip, the whole field to be equipped for night flying. At one relief field requirements are the same as for the main field except that only one landing strip is required. The other relief field has no landing strip and is not equipped for night flying.

Needs for the wireless and air navigation schools are along similar lines.

Added together, the training plan has given the construction industry its biggest wartime job aside from the building of war plants.

Standardize Buildings

Experience in airdrome construction has brought more efficient practices. So far as is practicable buildings have been standardized to effect substantial savings.

In the flying training schools it has been found that better results can be obtained by concentrating all of the major repair and servicing work in one hangar and simply using the other hangars for plane storage. Hangars and buildings immediately adjoining the hangars are usually heated by a steam central heating plant. Other buildings, sleeping quarters, mess halls, etc., are usually heated by individual hot air furnaces operated by mechanical stokers.

Each site must be served with adequate roads and transportation facilities. With many schools located at previously remote spots this has created considerable activity in highway work. Prime requirement for bombing and gunnery schools is space for practice ranges. Often these schools have to be located near a lake where other essential services may not be available. This has meant considerable expenditure on water supply, electric power and other facilities.

Building Phase

Greatest part of the construction industry's part of the Air Training Plan now appears to be over. It has supplied the solid foundation on which the mighty superstructure of air mastery is going up. It has met sudden demands and unexpected conditions to achieve complete establishment—the vital prelude to peak production.

From Toronto to Halifax by crow-flight is approximately 800 miles. Blaze a 21-foot highway over that route and you have the equivalent of the paved runways of Canada's military airdromes.

Lay out a vast programme of airport construction that will stretch a chain of fields from coast to coast. Meet all the hardships provided by weather and topography, battle with problems of supply, then finish that programme half a year ahead of schedule.

That is the achievement of Canadian builders.

The British Commonwealth Air Training Plan was scheduled to be in full operation by the late spring of this year. Actually, the last school under the Plan, a bombing and gunnery school at Mont Joli, Que., was opened last Dec. 15.

Sweat and Tears

Before this billion dollar university of the air, world's greatest air training scheme, could start turning out its thousands of skilled airmen, Canada's construction industry had to play its tremendous part. There was plenty of toil, tears and sweat. Of the early worrisome days of the Plan, Air Marshal G. E. Brookes recently said: "There were headaches and heartbreaks and mistakes—the problems of sites, construction, equipment, manning and training had provided as big a task as this country had ever known. But the digging and building went on."

Paratroopers provide the link between air and ground fighting in modern war. Here a parachutist in training prepares to make a jump. The instructor signals the time for the jump by a pat on the leg as shown, and the webbing attached to the plane on the upper right automatically opens the jumper's parachute after he has fallen the proper distance.

New Emergency Ration For Canadian Navy

To give seamen clinging to life rafts in icy waters better chances of survival, three Canadian naval men have brought out a new emergency ration and a special container which have been adopted by the Royal Canadian Navy and bid fair to set the pace in this field for the rest of the United Nations.

Object of the producers was to get the greatest possible concentration of food of high calorific content into the smallest possible space.

Their efforts were directed to developing not only a special type of container but proper kinds of food which would: stand up to exacting service conditions, give a proper nutritional balance, would not induce thirst and would have a palatable taste, something surprisingly difficult in sterilized foods.

New Ration Kit

As a result they have produced:

A main kit, no bigger than a lady's overnight bag weighing 17½ lbs., coated with a salt water resisting paint and costing in the neighborhood of $7.50, which contains the complete ration.

A water can (which is placed in the main container) which holds 16 ounces of water, and which has been subected to temperature of 15 degrees below zero without breaking.

A small food container slightly larger than a sardine can which holds 12 chocolate tablets, 12 concentrated biscuits and two bars of chocolate (enough to last a man two days), and which upon being emptied becomes a drinking cup with one ounce and two ounce measurements on the side.

A chocolate tablet ration (noted above), 70% whole milk and palatable.

A chocolate ration bar which will stand heat of 212 degrees without melting.

Food and Water

Into each ration box goes eight tins of water, eight tins of concentrated food and eight packets of malted milk tablets as extra ration food. Eventually chewing gum will be added.

All foods have been processed so they will stand up to sterilization without spoiling.

Already 25,000 of the new containers have been ordered into production. Some have already gone to Canadian ships. It is planned to place four on each 10-man raft and eight on each 20-man raft.

The only instructions on the side of the container are the words "eat slowly." High calorific content of the concentrated foods makes this imperative.

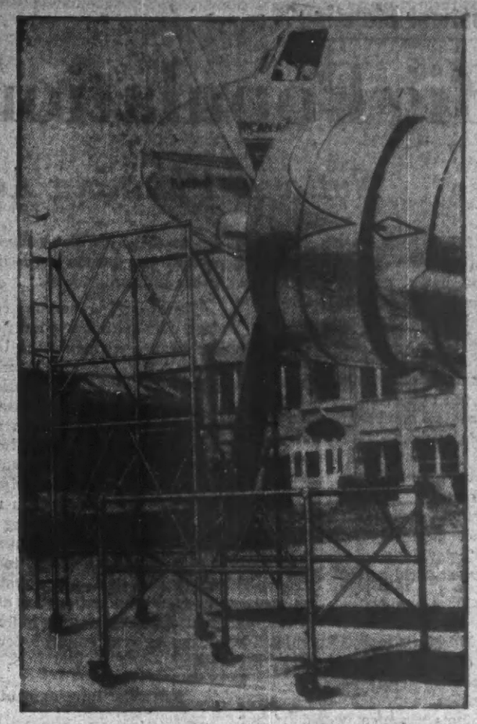
The three men directly responsible for the new kit are Lt. James Campbell, biochemist, and nutritional director of the nutritional section of the Navy's Medical Research unit, Toronto; Surgeon-lieutenant J. E. deBelle, R.C.N.V.R. in peacetime general superintendent of the Children's Memorial hospital, Montreal and Lt. R. W. Millard technical expert of naval stores Vancouver.

Water That Won't Rust

One of the most difficult phases of the work was developing a water which would not rust the inside of the cans. Naval experience in this war to date, has proved that water is more vital than food in preserving life. Consequently the new emergency ration container is divided roughly into 70% water and 30% food. In assembling the ration Lt. Campbell aimed at approximately 12 ounces water to 500 calories of food.

SAFWAY STEEL SCAFFOLD

FOR AIRCRAFT CONSTRUCTION AND MAINTENANCE



• In the construction of aircraft and in the maintenance of service machines, SAFWAY PORTABLE STEEL SCAFFOLD plays an important part. It provides a speedy and safe method of reaching and working in the normally inaccessible parts of aircraft.

• SAFWAY is most flexible in use, is quickly assembled and is adjustable to various heights and for propeller clearance. It is light in weight, yet possesses great strength. The heavy caster wheels are equipped with brakes.

Inquiries invited — adequate stocks are available and immediate shipment can be made. Kindly send priority rating as this is required for the purchase of SAFWAY Steel Scaffold.

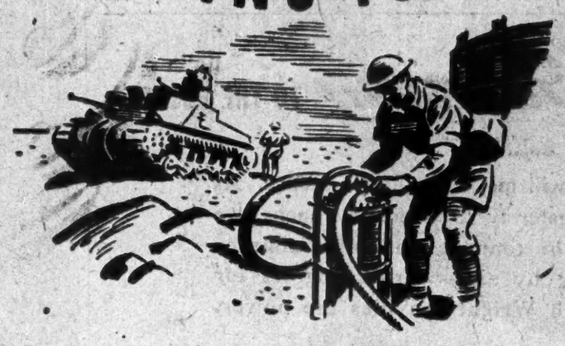
SARNIA BRIDGE COMPANY LIMITED

SARNIA — ONTARIO — CANADA

308

Canadian Nickel

SERVING TODAY...



SQUEEZING A DRINK of water from a desert is one of countless wartime jobs in which Canadian Nickel is now engaged. Powerful pumps with fine-spun filters of Monel—strong, corrosion-resistant, durable—can draw and purify drinking water for an army from a desert mud-hole.

The results of peacetime research in Nickel alloys are now being applied to war. New lessons learned in war are being added to that great store of scientific knowledge regarding Nickel and its alloys. So Nickel will be ready, even more than in pre-war years, to serve in the wonderful World of Tomorrow.

NICKEL MONEL

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

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Postwar Planning

Big Populations—Challenge to Planners

National Planning Association Looks at What We're Up Against

"Unless co-operative economic relations can be resumed and strengthened among the nations of the world, all countries will be faced with problems of 'over-population.' The levels of living reached in the zone of highest economic development — and not less the opportunities of individual achievement there open to the ordinary man—are imperilled by this prospect. The progress of other peoples toward these levels is equally endangered unless ways and means can be found by which peaceful trade and economic development can be resumed on a world scale."

This is the challenging situation "The Economic Pattern of World Population" (Pamphlet No. 18 of the National Planning Association) sees necessitating a scientific approach to postwar problems from a world rather than a national viewpoint.

To lay the problem before its readers clearly, "The Economic Pattern of World Population" reviews the distribution of the world's population, the conditions under which that population exists and the tendencies inherent in different ways of life.

Many Details Unavailable

It is pointed out that even accurate figures on the scope of the problem itself are not available. The best authoritative estimates of the world populations are stated to be around two billion souls but it is stated that where the population is greatest, the error in estimating the population may be as great as 10%. For estimates of population, a table of Carr-Saunders is cited as follows:

WORLD POPULATION ESTIMATE, 1930
(000,000's)

Continents:	International Institute of Statistics	International Institute of Agriculture	League of Nations
Europe	484.6	505.7	504.6
America	248.4	251.5	249.8
Africa	143.3	142.4	145.4
Asia	1,101.7	1,103.3	1,118.6
Oceania	9.9	9.9	9.8
World total	1,988.3	2,012.8	2,028.2

For purposes of analysis, the problems of population are approached by zones. These and the conditions which caused the present distribution are reviewed in the following terms:

"There is first the zone constituted by the new countries of European settlement—the United States, the British Dominions and parts of Latin America — where population increase has been rapid, but may soon slacken. In this zone productivity is high because of abundant resources and capital equipment, efficient labor and modern methods of organization. Living standards are high and urbanization is well advanced. Then, too, the merging of town and country in these new civilizations has offered great opportunities for individual prosperity and cultural development.

Scientific Development

"The industrial zone of western and northern Europe, from which the New World was colonized, is more densely populated and less productive. It was in this zone, and particularly in Great Britain, that the application of scientific discoveries to economic production began and from which it spread over the modern world. The great increase of population living at higher levels of consumption which was characteristic of the 19th century had its origin in this industrial revolution. The impulses which led to this swarming of the European peoples are dying down in western Europe; but they continue to cause trends of population increase elsewhere.

In eastern Europe and in agricultural Asia, cycles of population increase have been started which are now difficult to arrest. In these zones, however, resources are more limited, capital equipment is scanty and economic organization is primitive. Standards of living are therefore low.

Japan and U.S.S.R. Differ

"Japan and more recently the U.S.S.R. have entered the industrial stage of civilization by their own characteristic devices and cannot be easily fitted into the general pattern. They have presented, each in its own way, methods of industrialization alternative to the capitalist enterprise and trade by which western European technique has spread to industrially backward areas. The primitive peoples of isolated areas offer another special case. At first devastated by the impact of industrialism, they have in many areas made a painful adaptation to the new order and are now facing the prospect of heavy population pressures on limited resources.

"The present distribution of the world's population, and present trends of increase, it is clear, are largely the result of the industrial development that began about a century and a half ago in western Europe."

30 Millions Migrated

In spite of widely-publicized Nazi demands for "lebensraum," a survey shows that the "swarming instinct" of western European populations to new areas such as the Americas and Australia has died down. The authors state that in the century up to 1938 "the number of emigrants who left these countries of western Europe for settlement overseas was in the neighborhood of 30 millions, about half of whom were from Great Britain. It was British, Irish, German and Scandinavian immigrants who pioneered the development of the United States. Not until the American cities began to grow and new manufacturing methods demanded abundant unskilled labor, did the great tide of immigration set in from central, southern and eastern Europe. In the British Dominions immigration from the homeland has always predominated and in recent years the Dominions have taken a larger percentage of the dwindling numbers of emigrants from Great Britain. After the war of 1914-18, however, elaborate and expensive schemes of imperial migration encountered the basic difficulty that the potential supply of immigrants was drying up as the rate of population increase slackened.

Marriage Loans Aided Births

"A similar slackening of increase was occurring in all the industrial countries of western and northern Europe. This was true of Germany as well as other countries of western European countries. The recent increase in births in that country has been due in some measure to marriages and consequent first births being hastened by marriage loans. The massive reduction in unemployment has also contributed to a higher marriage rate and therefore to a temporary increase of the birth rate. . . . The story that the increased birth rate is due to renewed patriotism and faith in the glorious destiny of a reinvigorated Germany does not appear to have any more basis in fact than the legend that the Japanese birth rate rose for patriotic reasons after the Meiji restoration."

In southern and eastern Europe, however, there are reasons for believing populations will show a further increase. Pressure on the land in these sectors is stated to have increased since the United States and other countries imposed progressively severe barriers to emigration, particularly from 1924 onward.

Population "Bank"

There is stated to have been a "banking up" of the population increase in central and eastern Europe. It could be shown, the authors state, that the power resources and the mineral deposits as well as the facilities for transport and the organized marketing systems which are the essential basis of industrial development are concentrated in the area where population increase is now tending to slow up (including North America) and may soon tend to decline. Except for the U.S.S.R., the regions in which population has not yet reached its peak of increase are relatively deficient in coal, the main source of power, and in the basic minerals. They also lack developed systems of transport and marketing, as well as the productivity that might yield the capital resources necessary to construct them.

Factors Affecting Distribution

In determining how effectively population is distributed or can be distributed many factors must be taken into consideration. A consideration of density of population alone can be very misleading by itself. Factors such as the productivity of land, techniques developed, raw materials available for manufacturing, climate—all these and a host of other things go to determine how well a given section of country can sustain population.

Russia will have an important bearing on the trend of future developments, it is noted. The Russian situation draws the following remarks:

"The great strides made toward modernization since the U.S.S.R. emerged from the chaos of the first revolutionary period have not only shifted the Russian centre of economic gravity eastward, but have also created a new and powerful set of influences upon the economic development of India, China and Japan. . . .

Russia Looms Important

"From the viewpoint of economic power and leadership the nineteenth century map of the world was already clearly centred upon the British Isles. The map of the 20th century must be drawn from many centres. The growing power of the United States in world affairs is a new factor to be reckoned with. Britain still retains many threads of worldwide investment and commerce in her hands. Germany is making desperate efforts to dominate the continent of Europe. But the great bulk of Soviet Russia stretches unbroken across northern Europe and Asia. Its influence has been powerful, since the early stages of the Chinese nationalist movement, and has not been without influence in India, while its shadow has lain like a portent of disaster over Japanese attempts to organize a new order on the continent of Asia."

Recent decades have been marked by a trend toward greater urbanization in many countries of the world including Russia. While there have been some criticisms of this tendency, perhaps just as strong arguments can be advanced to think that the trend toward urbanization has not been an unmixed evil. "Not only the improvements in public health and medical care; but modern advances in popular as well as specialized education, in political democracy, trade union organization, improved housing and nutrition and care for the individual misfortune had their origins not in country but in city life."

To guide postwar planning, with all its intricate problems, the new countries of the world can do much toward developing a new spirit of co-operation, the authors conclude.

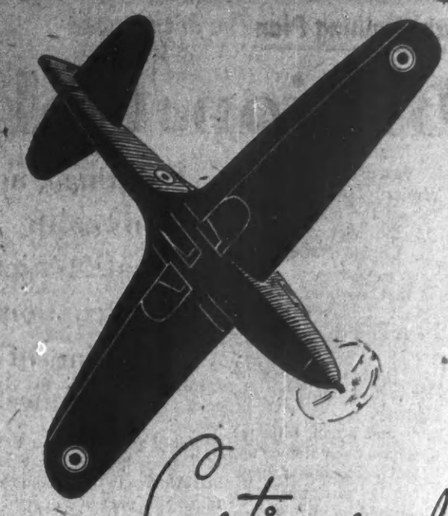
Radio Women Replace Men

A group of women recruited from the ranks of stenographers, bookkeepers, clerks and housekeepers, two elevator operators, a photographer and a dental nurse are being trained at Winnipeg to become radio operators for Trans-Canada Air Lines. They have all taken courses in recognized radio schools.

They will be given a thorough training in radio and teletype, the rudiments of flight operation and meteorology; they will become familiar with aircraft and ground radio equipment, and will gain a general knowledge of the functions of the passenger service and traffic departments.

They will be given regular jobs as radio operators establishing and maintaining contact with aircraft in flight, carrying on point-to-point communication and at some airports serving as local weather observers. They will work under the supervision of dispatchers or senior operators.

Training of additional women has been made necessary by the difficulty of obtaining male operators due to the demands of war, according to S. S. Stevens, superintendent of communications for T.C.A., who is in charge of the school.



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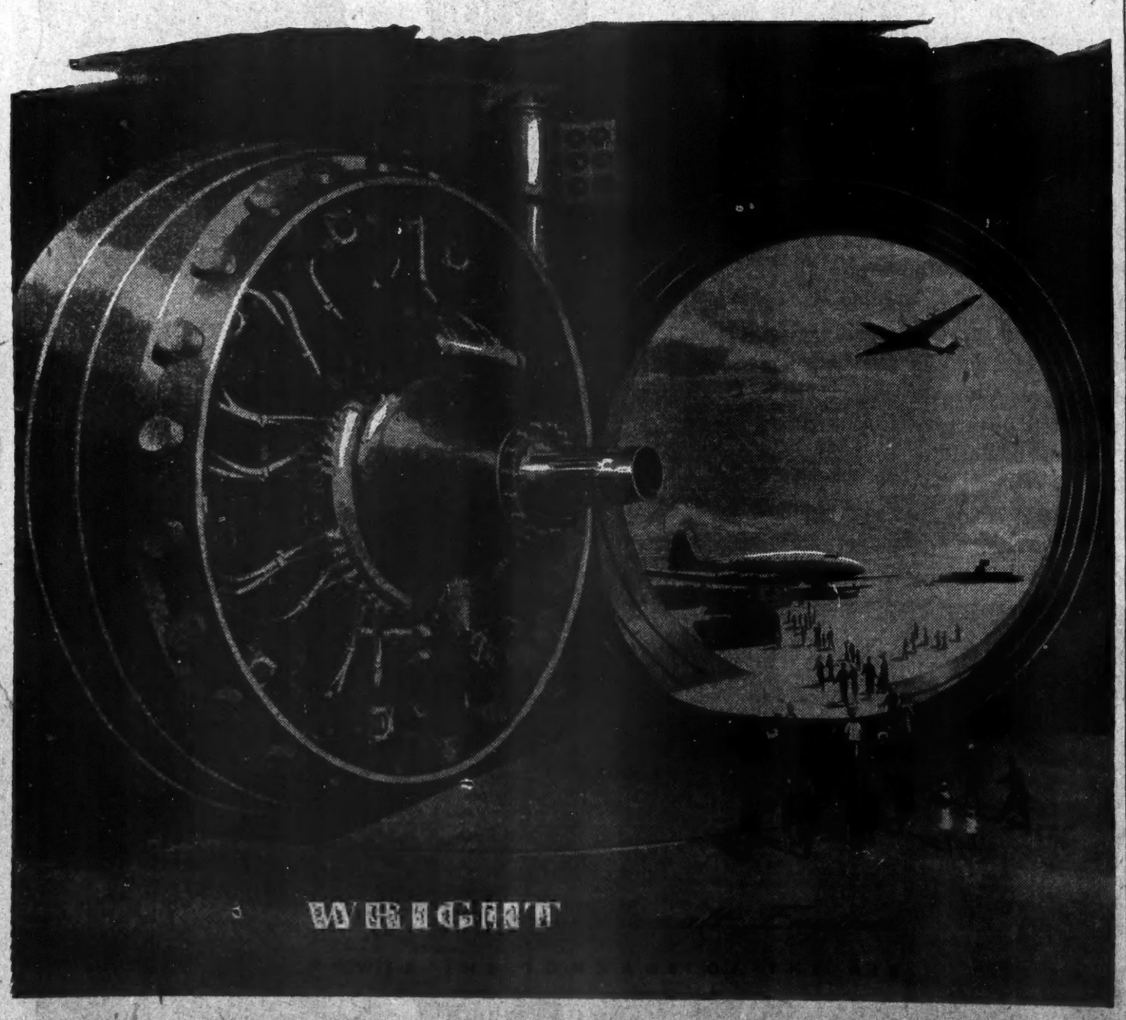
Safeguard TO THE PRESENT - *Gateway* TO THE FUTURE

The time-vault, with its flawless mechanism, protects man's most valued material possessions. So also America's powerful precision-built aircraft engines are today safeguarding the values that will make the future secure. As the gateway to tomorrow opens, we see the tonnage loads of commerce going by air—world progress for which Wright provides the power.



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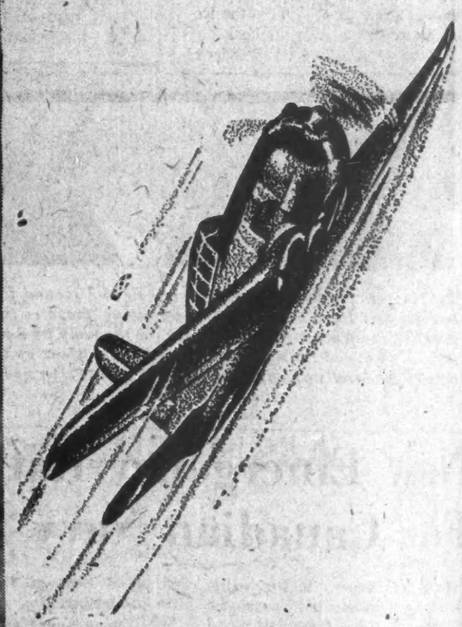

FROM THE GROUND UP

IN AIRPORT construction and in the manufacture and servicing of the aircraft which soar over these flying fields, products of Canadian Ingersoll-Rand Company play an important part.

Canadian Ingersoll-Rand air compressors and rock drills have broken ground for many a runway, while air-operated tools have facilitated construction of buildings on airports from coast to coast. In the aircraft factory, compressed air speeds up many important operations through the use of pneumatic tools, air hoists, spray guns and other labour saving equipment. In the repair depot compressed air increases the "availability" of aircraft for service through reducing overhaul time, while on the airport Canadian Ingersoll-Rand pumps supply water for many services, including heating and fire protection.

* * *

We are pleased to have this opportunity of paying tribute to the air services, the aircraft industry and the engineers and contractors whose collective skill and ability have contributed to the success of the United Nations' Air Programme.

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Aircraft Industry — The Background

Dreams of Pioneers Come True

Men Who Made and Flew "Stick and String" Planes, Bucking Public Apathy Through the Years, Laid the Foundation For An Industrial Giant

Back in 1902 a young man with an engineering degree started spending a lot of time in a home-made workshop in the New Brunswick village of Rothesay.

If people asked him what he was doing he replied—somewhat mysteriously—that he was studying the potentialities of heavier-than-air flight.

It was generally agreed in the community that this was a harmless hobby, but few would have admitted that Wallace Rupert Turnbull was making a major contribution to a serious science—was laying the foundation for historic achievements.

This was the case. His research produced, among other things, the widely used variable pitch constant speed propeller. It led to the Dominion's first wind tunnel to test the efficiency of different types of wing. It opened up a mass of knowledge about the dynamics of flight.

And it marked the dawn of Canada's aircraft industry.

For the next chapter in the story of this industry you must go to Baddeck, N.S., where Alexander Graham Bell, inventor of the telephone, formed the Aerial Experiment Association in 1907.

With him as associates were J. A. D. McCurdy, F. W. "Casey" Baldwin, Thomas Selfridge and Glen H. Curtiss—all names now known internationally in aviation circles. They had read the scientific writings of Turnbull and others, were anxious to put to actual test theories still in the laboratory stage.

The First Flight

Mrs. Bell caught some of their enthusiasm, put up $35,000 for the project of her husband and his friends, and in a lonely barn the construction of the "Silver Dart" got under way.

The name implies a streamlined aircraft, beautifully shaped, fast as a bullet. By modern standards the end product that was wheeled out of the barn in the winter of 1909 was anything but that. It looked more like a kite invented by Rube Goldberg.

But high hopes were pinned to the contraption and the builders were tense and excited as they shoved and tugged it on to the ice of frozen Bras d'Or Lakes.

There were those in Baddeck who thought authorities should intervene and prevent young McCurdy, the test pilot, from killing himself, even if he had to be locked up. Others, more tolerant, more open-minded, thought something practical might come of the experiment after all. Still others said why worry—the Silver Dart would never leave the ice!

A crowd watched as McCurdy took his place at the controls—as the engine roared—as the gale from the propeller fanned snow along the ice. Then the Silver Dart was moving, and moving fast, and suddenly it was rising into the air.

McCurdy stayed aloft several minutes, circling around to get the "feel" of the ship. Then he made a landing which damaged neither himself nor the plane.

He had become Canada's first test pilot. He had made the first heavier-than-air flight not only in Canada but in the British Empire.

Alexander Graham Bell was to live long enough to see the Atlantic Ocean spanned by Alcock and Brown, who made the first trans-atlantic flight.

The others were to grow up with the industry—to see great factories building aircraft, to see airlines shrinking distances and opening up the northland, and to see planes developed as one of the deadliest weapons of war, blasting cities to rubble with their bombs.

"Where were you during all that talk about changing from oil to coal?"

Drawn for O. W. I.

The First Factory

The first test pilot, McCurdy, became the first commercial aircraft manufacturer of Canada. Moving from Nova Scotia to Ontario he established Toronto Curtiss Airplane & Motors in 1916.

It was this company and the succeeding company, Canadian Aeroplanes Ltd., formed by the Imperial Munitions Board, which built the 2,900 aircraft Canada produced in World War 1.

These planes, wood and fabric construction, were what we know today as the "stick and string" variety. Nevertheless they played a major part in the heroic days of Bishop, Barker, Collishaw, Maclaren and the other aces of 1914-18. Valued at $14 millions, they were made at Leaside, Ont., near Toronto.

After the Armistice our aircraft industry folded up. Flying might have been all right for the young daredevils of the R.A.F., but John Public wahted to keep his feet on the ground, still thought of flight as a way to lose your life rather than as a way to get places in a hurry and to unlock areas remote from highways and railways.

Pilots who toured the country were known as "barnstormers," and were serious young men, most of them, badly maligned by the legend that no flier cared anything for life or limb or ever went to bed sober.

They patched up old wartime crates with haywire, tried earnestly to sell popular opinion on aviation, dreamed of the future and all that flight could mean.

Building Amphibians

But the next plane wasn't built in Canada until 1923, when the Canadian Air Board called for bids for the construction of eight single-engined amphibians.

Canadian Vickers Ltd. got the contract. This same company was later to make Stranraer flying boats for coastal patrol work, is now turning out the huge Catalina PBY, which has the greatest range of any two-engined patrol bomber in the world and is known as "the eyes of the navy."

Slowly interest in aircraft construction revived and 1928 saw a minor boom in the industry. That year de Havilland, famous British company, established a Canadian plant, where subsequently it was to make the familiar Moth trainers—Fox, Hornet, Hawk, Tiger, Dragon, Dragonfly and Rapide.

These were the aircraft mainly used by Canada's Flying Clubs, which, subsidized by the government, made young Canada air-minded and launched on their careers many of our finest commercial and military pilots.

Reid Aircraft also was established in 1928 and manufactured the Rambler. As Curtiss-Reid Aircraft, and later as Montreal Aircraft, it made several versions of this aircraft, as well as another plane, the Courier.

Ottawa Car & Aircraft got busy in 1929 assembling the Avro and later the Avian, the Tutor and the Avro 626 trainer.

Simultaneously Fairchild Aircraft launched its Canadian career, built the Fairchild 71, the 71-B, the 71-C, the K.R. 22, the 51-71. For Canadian conditions it developed the Fairchild Super 71, the Super 71-P, the Fairchild 82 and the Sekani.

Other Pioneers

Boeing Aircraft started in the summer of the same year on the Pacific Coast, producing the Boeing 40-H4. This company subsequently made several types of flying boats; now builds Catalinas.

Fleet Aircraft was another pioneer, made the Fleet Trainer, the Canadian Waco, the Fleet Freighter.

Cub Aircraft made the Cub Sport J-3.

R. B. C. Noorduyn designed the Norseman in 1934 and Noorduyn Aviation swung into production the following year.

About this time companies which had been engaged in other lines got interested in the possibilities of aircraft. Among them were Canadian Car & Foundry Co. and National Steel Car Corp.

From 1923 to 1937 we completed 981 aircraft in Canada with a value of $12.8 millions.

In the years preceding the outbreak of the present war our aircraft plants got quite a number of small orders for military planes.

For instance, Boeing, in British Columbia, put together some Blackburn Sharks, while Fairchild started work on Bristol Blenheim bombers.

Vickers had a contract for Stranraers and for a few Northrup Deltas. National Steel Car was building Lysanders.

Ottawa Car tuned up for the big job that lay ahead by reconditioning Wapitis and Atlas bombers and assembling Avros.

At Fort William, Canadian Car & Foundry built 40 Grummans for the Turkish Government, and a Canadian-designed plane, the Gregor.

In addition to the Grummans, some of the other aircraft of military type built in Canada were for export to foreign governments.

Trained Personnel

All these operations were valuable from the standpoint of experience, trained key men for the time when war would bring a sudden expansion in the industry, proved we could build planes.

But, actually, they were on a minor scale. At war's outbreak we were producing only about 40 aircraft a year and the floor space of the entire industry was not much more than 500,000 square feet.

The employees numbered around 1,000 compared with 75,000 at present and 100,000 expected to be employed in the near future.

At the prewar rate of construction it would have taken more than 160 years to build 6,500 planes.

We have built 6,500 since the start of the war, are building them faster—and better—with every week that passes.

Canada's aircraft industry has grown up—has come of age to meet the emergency.

Livingston Stokers are built in models and capacities to meet all requirements of Canadian industries and institutions.

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Livingston Stokers serving the R.A.F. Elementary Flying Training School, Mount Hope, Ontario

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CANADA

ASSISTANCE ON SHIPPING PROBLEMS

In shipping, as in every other phase of Canada's economic life, the calls of war are now paramount. Shipping space can no longer be provided for the movement of goods which do not contribute to victory, but every effort is being made to allocate available shipping space to ensure an orderly inward and outward movement of priority materials.

Inquiries concerning shipping space for supplies to the British West Indies may be addressed to:

COMMERCIAL INTELLIGENCE SERVICE
Department of Trade and Commerce
Ottawa

For advice and assistance respecting imports from all countries and shipments to Latin American countries write to:

SHIPPING PRIORITIES COMMITTEE
Room 123, West Block
Ottawa

Shipping space for the movement of essential materials to Empire countries such as Australia, India, New Zealand, South Africa and to the United Kingdom is allocated in accordance with the directions of the authorities of these countries.

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA — CANADA

Hon. James A. MacKinnon, M.P.
Minister

HE HELPED WIN A TANK BATTLE IN AFRICA

He helps to build Marconi Radio transmitting and receiving sets and, along with the other men and women of Marconi, is playing a useful and important part in the battles that rage over the hot desert sands, in the dizzy heights of modern flight and on the rolling seas.

Radio communications are vital in modern war and since hostilities began, Marconi workers have turned out thousands of radio transmitting and receiving sets for use in tanks, planes, ships, for ground forces, at air ports, radio direction finding stations and wireless schools.

In this work is brought into play the full knowledge and experience of engineers trained in the traditions of Marconi—the man who gave radio to the world.

Have Your Present Radio Set Checked Regularly

Production of radio receivers for home use has been discontinued — but Marconi parts and Marconi RVC Radiotrons are still available. Keep your set in good working order. Have it checked over regularly. Call your Marconi radio dealer or serviceman.

After the war the knowledge and experience gained in war production will enable Marconi engineers to design even better radio receivers for home use.

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MARCONI .. THE GREATEST NAME IN RADIO

ON ACTIVE SERVICE

WHERE RADIO MUST NOT FAIL MARCONI REIGNS SUPREME

Films For Victory

Movies Teach Skills, Build Morale

Industries Use Screen to Instruct New Employees in New Jobs and Find This Method Increases Production, Cuts Waste

"Today, with so much to be accomplished in so little time, the motion picture is one of the most efficient and economical tools of management."

So states B. E. Morrish, president and managing director of Associated Screen News, Ltd., of Montreal.

More and more films are being made to train new employees in war plants in Canada and the United States, and to increase the skills of old employees.

There are reels which show in minute detail the operations involved in the building of ships, tanks, guns, aircraft. How do you use a micrometer, a lathe, a punch press? You can find out by sitting in a comfortable chair — and watching the screen.

When a group of workers are taken through a plant to see how things are done, only a few get a good look. The others find the view obscured by those who manage to elbow their way closest to the machinery. In addition the general din is likely to drown out any verbal explanation which may be given.

Motion pictures overcome these difficulties. Even the smallest tool, the most delicate piece of craftsmanship, can be seen by everybody when it is thrown up on the screen, greatly magnified. And everybody can hear the explanation when it is recorded on the sound track.

Another factor is that motion picture techniques have been developed which emphasize the lesson, plant it firmly in the memory. When they see an animated cartoon which depicts the tragic consequences of something done wrong, or a sequence which dramatizes the subject, people don't forget.

Executives in a number of plants across the country have found this out, have found that it pays dividends to show moving pictures. Many authorities have endorsed this method of instruction and recommended that it be used not only to give novices an idea what their jobs are about, but to upgrade semi-skilled workers.

Pictures which illustrate general topics, such as how to operate the more common machine tools, are already available. To supplement these, some companies have "custom-tailored" motion pictures taken of the machines and operations in their own plants.

Making a Picture

Planning such a picture commences with conferences between client and producer on the purpose of the film and the type of audience to be reached.

These lead to the scenario, which can be likened to an architect's sketch.

Next comes the "shooting continuity," a detailed blueprint from which the picture takes shape. This gives the specifications from which the specialists work—director, cameraman, art director, editors, musical director, sound engineers.

When dramatized scenes are used, with actors and dialogue, sets must be planned on the sound stage. Action to be filmed, camera setups, area to be included by the lens, all govern the size and placing of the sets.

One short scene may be taken several times before director, camera chief and recordist are satisfied. It's a combination of their skills and experience which makes possible a reel that will serve its purpose most efficiently, that is a polished professional job.

The recording room of Associated Screen News has equipment similar to that found in the modern radio studio. The narrator occupies a sound-proof room from which he can see the action on the stage. The commentary he reads is carefully timed to the length of each scene.

Timed to Split Second

A stop watch is an essential part of the director's stock in trade, since he has to see that every moment, every word, hits the right inch of film. When there are two or more sources of sound, the "monitor man" mixes them to give the proper balance.

Smart editing gives the film finish and smooth flowing continuity, so the cutting room is one of the most important stops on its journey from script to screen. The editor must also check the sound track against the picture to make sure they synchronize.

"Fades," "dissolves" and "wipes," as they are called by the trade, are the punctuation marks of motion picture expression. A scene "fades" in from black screen by gradually increasing brilliance, or "fades" out to black screen. "Fades" usually begin or end a sequence of dramatic action, much as the curtain punctuates the acts in a play.

"Dissolves" are used to denote a lapse of time or a change in pace.

A "wipe" may be a simple line moving across the screen, literally to wipe one scene off as the next follows it on.

The art department of the studio also has its part in the production of a film. Titles are the beginning and the end; animated diagrams and maps lend clarity to the explanation; "special effects" give finish—a revolving world floating through the clouds; a parade of nuts and bolts mysteriously come to life; lightning flashes in a stormy sky; calendar pages gliding by to symbolize the passing of time.

When the negative is complete it goes to automatic printers where a few—or hundreds—of copies may be made. It is possible to print 16 mm. film for non-theatrical distribution from the original 35 mm. negative on optical reduction printers.

The cost of custom-built motion pictures varies greatly, depending on what is required. It may be a few hundred dollars a reel, or it may be as much as $15,000.

Following are some of the factors which have a bearing on this—

Sound or silent. Silent film with titles only are fine for specially interested audience, or for company records. Adding a sound track increases cost, but is generally regarded as essential for today's general audiences.

Actors, dialogue. Hiring talent makes the dramatized motion picture more expensive than the "narrated" film but adds realism.

Studio sets. These may or may not be used, depending on the subject.

Animations, special effects, slow motion. These are fairly expensive, but are recommended to drive home a lesson, emphasize an important point.

Other cost factors include length of film, music, lighting, number of prints, type of exhibition desired.

Endorsed Officially

Ralph P. Bell, director of aircraft production for Canada, and Desmond A. Clark, director general of shipbuilding, have both placed their stamp of approval on the films made for instructional purposes.

Ready made reels which Canadian industries may obtain to instruct new employees have a running commentary by a skilled instructor and show actual demonstrations of specific jobs, on specific machines, by expert operators.

Morale Builders

Industrial films now in use don't all confine themselves to illustrating job techniques. Some also emphasize morale—the need of an all out war effort on all fronts.

Some companies have found films valuable in reducing absenteeism, and in stimulating the enthusiasm of their employees.

Incidentally, the morale building influence of movies has not been overlooked by Ottawa. Since the outbreak of war the National Film Board has multiplied the number of its film releases and has greatly expanded its staff and general activities.

An important job for wartime morale is being done by moving pictures. Here's a scene from "Commandos Strike at Dawn," in which Canadian soldiers took part. Director of the film, a Columbia production, was John Farrow, formerly public relations officer of the Royal Canadian Navy. Acclaimed by critics, the picture sticks closely to fact, shows how Commandos operate.

The Catalina Flying Boat, Canadian made, powered with Pratt & Whitney Engines and Hamilton Standard Hydromatic Propellers.

Victory is in the Air

—and the Power to achieve it!

The growing strength of the Allied Nations is especially evident in airplane production and the increasing weight of attack from the air on all fronts.

Victory is in the air and we are proud of the part Pratt & Whitney engines and Hamilton Standard Propellers are playing in providing the dependable power to achieve it.

And at the same time we look forward to the future when we can play a more satisfying job in building a more pleasant world.

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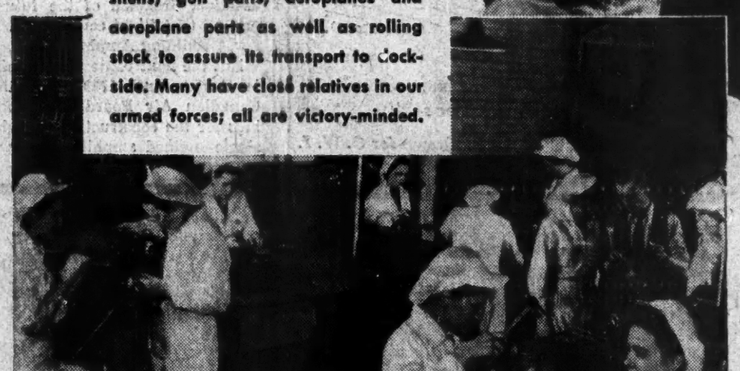
CANCAR WORKERS, both men and women, know the vital part they are playing in the United Nations' victory drive. Their work runs the gamut of war production. Their output includes shells, gun parts, aeroplanes and aeroplane parts as well as rolling stock to assure its transport to dockside. Many have close relatives in our armed forces; all are victory-minded.



(*Above*) "NICE WORK, SON": Veteran Patternmaker, Max Leblanc, has word of encouragement for apprentice, Harry Brooks, at CANCAR'S Longue Pointe Plant.

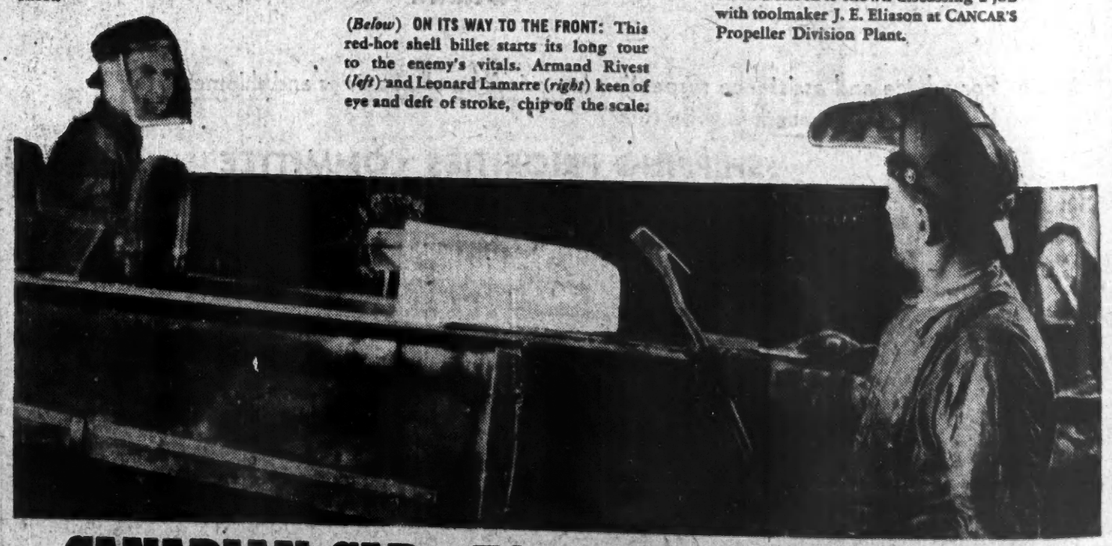
(*Left*) TROOPS IN TRAINING: Group of beginners learn riveting in preparation for active service on CANCAR'S Aircraft Division production line.

(*Above*) BACKING THEM UP: Mrs. Elsie Johnson and Arthur D. Hayes at CANCAR Aircraft Division have brothers on Active Service overseas, an added incentive to all-out effort.

(*Above*) BANDING SHELLS: Romeo Genereux does a real war job putting copper bands on shell casings at one of CANCAR'S war plants.

(*Above*) FIGHTING FRANCE: The spirit of La Belle France is here personified by toolmaker Albert Le Bolloch, who escaped the clutches of the Nazi invader aboard the famed French submarine "Surcouf". M. Le Bolloch is shown discussing a job with toolmaker J. E. Eliason at CANCAR'S Propeller Division Plant.

(*Below*) ON ITS WAY TO THE FRONT: This red-hot shell billet starts its long tour to the enemy's vitals. Armand Rivest (*left*) and Leonard Lamarre (*right*) keen of eye and deft of stroke, chip off the scale.



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